

City of Farmers Branch, Texas

Annual

Operating

Budget



fiscal year 2007-08

2007-08 ADOPTED BUDGET

NOTICE

This budget will raise more total property taxes than last year's budget by \$1,860,200 or 10.67%, and of that amount \$301,978 is tax revenue to be raised from new property added to the tax roll this year.



**FARMERS
BRANCH**

CITY OF FARMERS BRANCH, TEXAS 2007-08 ADOPTED FISCAL YEAR BUDGET

City Council

Bob Phelps
Tim O'Hare
Ben Robinson
Tim Scott
Jim Smith
David Koch

Mayor
Mayor Pro Tem, Place 2
Deputy Mayor Pro Tem, Place 5
Place 1
Place 3
Place 4

City Manager

Gary D. Greer

Prepared by

Finance Department
Charles S. Cox, Director

**CITY OF FARMERS BRANCH, TEXAS
LIST OF PRINCIPAL OFFICIALS**

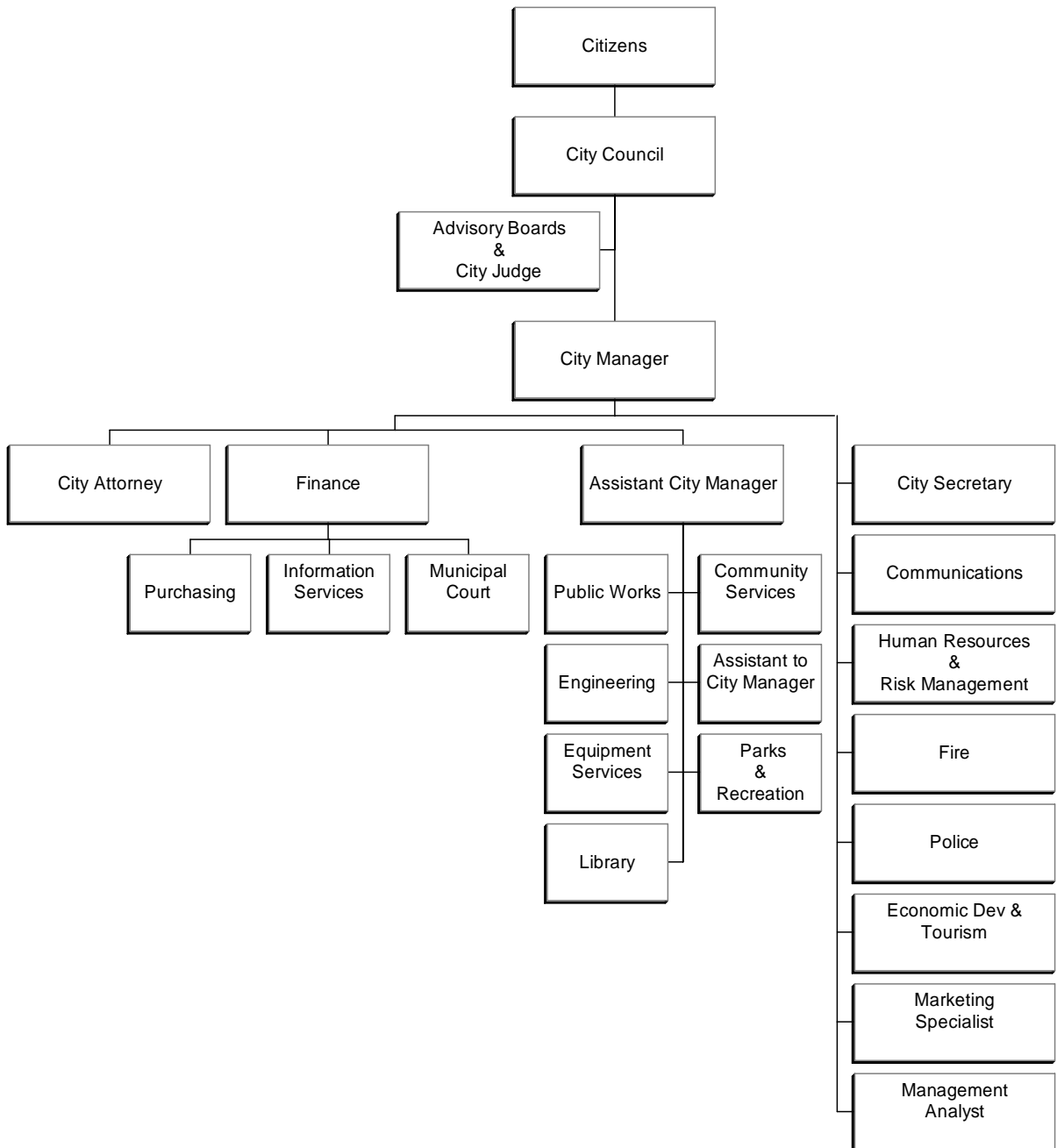
City Council

Bob Phelps	Mayor
Tim O'Hare	Mayor Pro Tem, Place 2
Ben Robinson	Deputy Mayor Pro Tem, Place 5
Tim Scott	Place 1
Jim Smith	Place 3
David Koch	Place 4

Appointed Officials

Gary D. Greer	City Manager
Danita Barber	Library Director
Tom Bryson	Communications Director
Charles S. Cox	Finance Director
Kathleen Shields	Human Resources Director
Sid Fuller	Police Chief
Jeff Fuller	Parks & Recreation Director
Kyle D. King	Fire Chief
Kevin Muenchow	Equipment Services Director
Jerry Murawski	City Engineer
Norma Nichols	Economic Development Director
Mark Pavageaux	Public Works Director
Cindee Peters	City Secretary
Michael Perry	Information Services Director
Michael Spicer	Community Services Director
Greg Vick	Assistant City Manager

City of Farmers Branch





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Farmers Branch
Texas**

For the Fiscal Year Beginning

October 1, 2006

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Presentation to the City of Farmers Branch for its annual budget for the fiscal year beginning October 1, 2006.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

CITY OF FARMERS BRANCH, TEXAS
2007-08 ADOPTED FISCAL YEAR BUDGET

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**FARMERS
BRANCH**



City of Farmers Branch
13000 William Dodson Parkway
Farmers Branch, Texas 75234

September 18, 2007

The Honorable Mayor and
Members of the City Council

The City of Farmers Branch management team is honored to present the 2007-08 budget. This year's budget has been prepared with the objective of maintaining the financial strength of the City, meeting the needs of citizens and implementing the goals of the City Council.

The adopted budget provides many opportunities to address needs expressed by the community to improve the quality of life in Farmers Branch. An improving economy is providing the resources necessary to accelerate and initiate a number of worthwhile projects and programs. Operationally, the largest change in the adopted budget is associated with the planned opening of Fire Station No. 3. Capital improvements have been focused on redevelopment, revitalization and providing a foundation to support growth in the Farmers Branch light rail station area.

City Council Goals

In June 2007, the City Manager met with City Council to identify goals, strategies and seek direction in preparing future budgets. The 39 goals established by the City Council include:

Public Safety

1. Increase traffic enforcement and police presence
2. Implement crime reduction strategies
3. Increase the frequency of fire inspections
4. Continue to develop community partnerships
5. Complete construction and start operations of Fire Station No. 3

6. Maintain emergency management training and operation program
7. Review and update police and fire programs, policies and procedures to meet the needs of the community
8. Complete and submit the Insurance Service Office's Fire Protection Survey

Economic Development/Revitalization Efforts



9. Continue to expand and enhance neighborhood revitalization and incentive efforts
10. Implement Four Corners Study action plan
11. Implement strategy to develop Farmers Branch Station
12. Continue aggressive recruitment and retainment activities concerning businesses
13. Work with developers of West Side to assure timely and high quality development of western Farmers Branch
14. Increase the number of room nights generated for hotel sector
15. Update Comprehensive Plan

Quality of Life/Beautification



16. Continue to pursue strategies to address illegal immigrant issues
17. Enhance, expand and develop the visibility of the park system
18. Continue aggressive and effective code enforcement
19. Continue aesthetic enhancement including signage, median, fencing, waterways, and other neighborhood improvements
20. Create citywide trail system
21. Purchase strategic properties to redevelop for beautification projects
22. Develop a "signature event" for Farmers Branch

Public Works/Infrastructure



23. Effectively maintain streets, sidewalks, alleys, drainage facilities, and water/sewer systems
24. Begin researching the development of a new Service Center
25. Design and build a new Animal Control Center
26. Develop long-term solid waste strategy for the future
27. Implement environmental programs concerning storm water, water conservation, hazardous waste collection, and inflow/infiltration
28. Evaluate potential sites for the future relocation of Fire Station No. 1

Government Efficiency



29. Seek opportunities to streamline City services
30. Prepare and implement a budget which assures a stable tax rate and provides needed services
31. Conduct an organizational study to determine if changes are needed to create greater efficiency and effectiveness

32. Pursue intergovernmental projects which eliminate duplication and increase efficiency
33. Seek opportunities to improve customer service in all City departments
34. Evaluate and update financial strategy
35. Continually improve financial health by meeting or exceeding fiscal policies and goals
36. Continue to develop a multi-faceted public information program that connects with the Community
37. Enhance important statistical and benchmark information for City services
38. Recruit and retain a highly productive staff
39. Develop an efficient and effective records management system

The adopted budget was constructed to advance and achieve the goals set by the City Council. Each department was tasked with focusing their efforts towards the priorities set by the Council. Departmental objectives have been planned to support the City Council goals in order to maximize efficiently and effectiveness. To emphasize this point icons associated with goal categories identify departmental objectives that address Council goals.

These long-term priorities will also be used as a guide in the formulation of future budgets. This budget attempts to allocate the City's financial resources to both services and essential investment in facilities and public improvements. The spending plan, consistent with available resources, is designed to maintain quality facilities and services that improve the quality of life in Farmers Branch.

Fiscal Summary

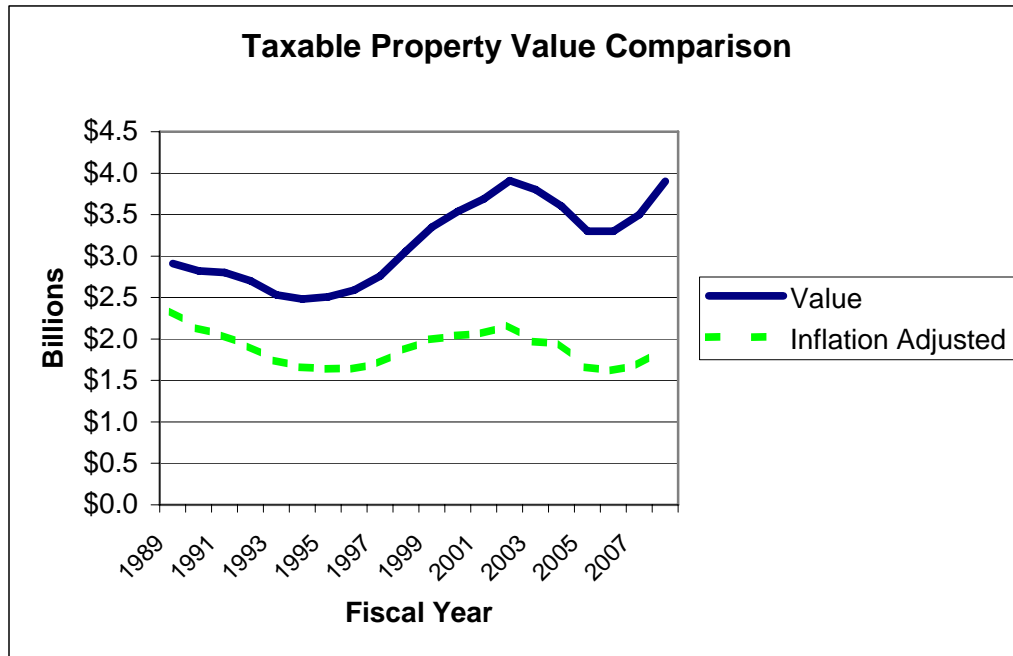
The total 2007-08 budget is adopted at \$91,212,191. This is \$8,092,371 or 9.7% more than was adopted (\$83,119,820) in the 2006-07 budget. The largest portion of this increase is in the Capital Projects Funds for projects related to developer contributions. Following is a summary of the budget for each of the fund groups contained in the adopted budget.

General Fund	\$45,493,600
Water & Sewer Fund	\$14,161,000
Hotel/Motel Fund	\$ 2,452,400
Debt Service	\$ 2,190,000
Special Revenue Funds	<u>\$ 1,423,343</u>
Subtotal Operating	\$65,720,343
Capital Project Funds	<u>\$25,491,848</u>
Total Budget	\$91,212,191

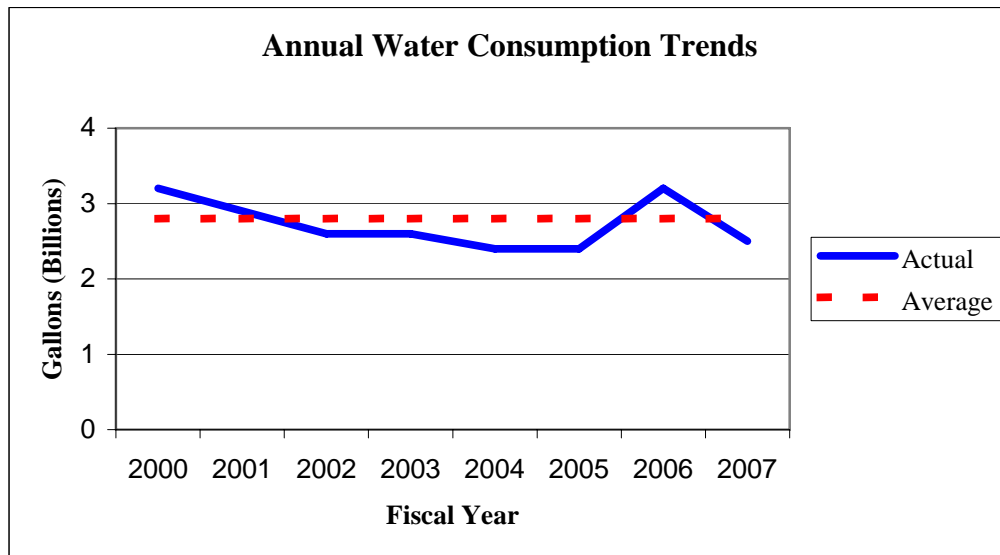
Assumptions

Revenues and expenditures were developed on the basis of certain economic assumptions. As has been clearly exhibited in the past, assumptions are, at best, an estimate and conditions can change significantly. Nevertheless, some assumptions must be used in developing a budget. City Administration attempts to conservatively estimate

revenue and expenditure projections in order to assure a reasonable and sustainable fiscal plan. Revenue growth was realized in 2006-07 and is projected to continue in 2007-08. In past years, the City has had the fortune of a strong tax base and fund balances. This has allowed the City to continue providing services in spite of declines primarily in the commercial tax base. The commercial tax base, including real and business personal property, is increasing and now represents a strong 78% of the City's total tax base (down from its peak of 86% in 2001).



Sales tax and building permit revenues are also anticipated to increase. Water consumption increased 24% during 2005-06 due to prevailing drought conditions. Sales of 3.2 billion gallons occurred during the year. The 2006-07 budget assumed a return to average annual sales of 2.8 billion gallons – a 12.5% decline. Due to rainy conditions during the year, actual sales are expected to be 2.5 billion gallons – a 22% decline. This differential, from a “dry” year to a “wet” year, is one reason why the City maintains fund balances in order to minimize the need to constantly lower and raise water rates due to weather fluctuations. The 2007-08 adopted budget assumes a return to average annual sales of 2.8 billion gallons.



Projected Revenues – Major Operating Funds

The 2007-08 adopted Operating and Capital Improvement Program Budget details General Fund revenues of \$3.1 million more than the 2006-07 year-end amended budget. The adopted budget maintains the property tax rate of 49.45¢ per \$100 valuation. No increase in the property tax rate is adopted. Reflective of the turnaround in the economy, overall property values in the adopted budget increased 10.8%. The associated 20% increase in property tax revenues for the General Fund was partially offset by significantly lowered property tax revenues need for the Debt Service Fund. This was planned in order to fund operations at the new fire station with savings from the payoff of debt while maintaining a stable tax rate. In 2007-08, sales tax revenues are projected to grow 3% from the 2007-08 year-end amended budget. Electric franchise fee and interest revenues are also expected to rise in line with improvements in the economy.

The 2007-08 adopted budget details Water & Sewer Fund revenues at \$930,700 more than the 2006-07 year-end amended budget primarily due to increased water consumption assumptions. The City established a multi-year plan in 1993-94 to make the Water & Sewer Fund self-sufficient, which at the time was dependent upon General Fund subsidies. This goal was achieved in the past through rate structure redesign and rate increases. Future rate increases were planned primarily to cover increased costs to the City. The most significant of these costs include the cost to the City for purchased water, wastewater treatment services, personnel costs, and electricity. Cost increases for purchased water and wastewater treatment services are anticipated to be minimal in 2007-08. This factor combined with strong fund balances provide an opportunity for staff to recommend that no increase in water and sewer rates be made.

Hotel/Motel Fund revenues are adopted at \$6,500 more than in the 2006-07 year-end amended budget.

Adopted Expenditures – Major Operating Funds

The 2007-08 adopted Operating and Capital Improvement Program Budget details General Fund operating expenditures of \$3.9 million more than the 2006-07 year-end amended budget. Cities are service organizations, as reflected in personnel-related costs representing 73% of this total budget. Costs to staff the new fire station are expected to total \$1.2 million. Increased costs associated with providing for a 3% across-the-board pay increase, a 3% merit increase and health insurance total \$1.4 million. During 2006-07, the City Council approved \$1 million for home and marketing incentives. All funds remaining at year-end were budgeted for continued incentives in 2007-08.

Water & Sewer Fund adopted operating expenditures are \$1.1 million more than the 2006-07 year-end amended budget primarily due to increased consumption assumptions and added equipment replacement needs.

Hotel/Motel Fund adopted expenditures are \$132,800 more than the 2006-07 year-end amended budget.

Fund Balances

This budget meets all the multi-year financial objectives and tenets approved by the City Council.

The adopted 2007-08 budget estimates that the General Fund balance will be \$8.9 million at the end of the 2007-08 fiscal year with a most realistic scenario of \$9.5 million. One of the City's multi-year financial objectives is to "formulate future budgets so that no use of fund balance will be required in the final operating results." The estimated final operating results are detailed as an exhibit to the budget, which illustrates the "most realistic scenario." For the General Fund, this difference represents the expectation that expenditures in 2006-07 and 2007-08 will end up \$300,000 less than budgeted, in each fiscal year, due to vacancies or contingency items that were not needed. The City defines a balanced budget as an operating budget adopted whereby revenues equal or exceed expenditures and no use of fund balance is required. The 2007-08 adopted General Fund budget shows a "most realistic scenario" addition to fund balance of \$63,200 and is therefore considered a balanced budget. The adjusted 75-day General Fund target fund balance is \$8.6 million.

The Water & Sewer Fund target fund balance is \$2 million. The adopted 2007-08 budget estimates that the Water & Sewer Fund balance will be \$1.8 million at the end of the 2007-08 fiscal year with a most realistic scenario of \$1.9 million. The 2007-08 adopted Water & Sewer Fund budget shows a "most realistic scenario" use of fund balance totaling \$778,600. Therefore, the Water & Sewer Fund budget is not considered a balanced budget. Higher than planned water sales during 2005-06 have provided fund balances, above target levels, which can be used to offset cost increases.

The adopted 2007-08 budget estimates that the Hotel/Motel Fund balance will be \$1.3 million at year-end with a target balance of \$500,000. The primary revenues for this fund are hotel occupancy taxes, which are restricted by state law as to their use. Staff continues to review ways to most effectively use these revenues in accordance with state law.

Investment in Services, Facilities & People

Employee pay and benefits provided by Metroplex cities continues to increase competition for employees, in particular public safety employees. The adopted budget includes a 3% across-the-board pay increase for all full-time and part-time employees and 3% for the City's merit-based pay plan.

The 2007-08 adopted budget includes funding for fifteen new firefighters to staff Fire Station No. 3. Three full-time positions are adopted for the Police Department – one detention officer and two police assistants. No other new full-time personnel position changes are adopted for 2007-08.

Capital Improvement & Fixed Asset Programs

The Non-Bond CIP Fund details major capital spending plans during the next seven years along with pay-as-you-go funding for major new facilities and public improvements. The 2007-08 adopted budget includes \$25,491,848 for capital improvement projects compared to \$16,938,398 in 2006-07. In 2007, the City's annual General Fund debt service requirements dropped from an average of \$3.3 million to approximately \$400,000.

Since the City Council adopted a pay-as-you-go approach to capital funding, more than \$55 million has been directed from the General Fund towards capital projects saving taxpayers more than \$29 million in interest payments or an equivalent of 4.1¢ on the tax rate each year. More than \$15.6 million has been directed from the Water & Sewer Fund towards capital projects saving taxpayers more than \$8.2 million in interest payments. This program has been successful in providing new and improved facilities to the citizens of Farmers Branch in one of the most cost effective manners possible. The new Senior Center, Justice Center, Recreation Center, and Water Storage Tower are prime examples of projects constructed with pay-as-you-go funding.

However, the pay-as-you-go program for capital improvement projects and fixed assets was developed at a time when revenues were exceeding operating costs under the philosophy that revenue growth would be used to fund capital expenditures. Due to the past economic downturn, revenue growth has been inadequate. Significant decreases (a reduction from \$2.3 million to \$0 per year in the 2005-06 budget in General Fund funding of the CIP program) and decreased funding for fixed assets resulted in a postponement of new building and other capital projects that potentially impact services to citizens. The \$3 million reduction in debt service beginning in 2007-08 provides resources to pay for operational costs as well as providing an opportunity to support short-term debt for needed capital improvements. The adopted 2007-08 budget increases funding to replace fixed assets previously deferred.

During the 2005-06 fiscal year, the City Council and staff conducted an in-depth review of the City's future capital needs. This needs assessment resulted in the adoption of a strategy to consider the issue of short-term (5-year) certificates of obligation totaling approximately \$7.7 million in September 2007. During the 2006-07 fiscal year, the City Council identified which projects to include in the first phase of this program. The use of short-term financing instruments supplements the City's pay-as-you-go plan and contains many of the same elements of that plan including flexibility and interest savings. This will allow the City Council to continue to assess and reassess the City's financial position along with the City's needs and adjust the financing plan accordingly in future years.

Projects adopted in the multi-year Capital Improvement Program (CIP) Budget include:

- Fire Station No. 3
- Redevelopment Program
- Screen Wall Repair/Replacement Assistance
- Beautification Projects
- Liberty Plaza
- City Entryway Enhancements
- New Animal Shelter
- Webb Chapel Road Rehabilitation
- Midway Road Rehabilitation
- Benchmark Drive Reconstruction
- Light Rail Station Area Development
- Lake Improvements (South of I-635)*
- Knightsbridge Road*
- Mercer Parkway Extension*
- Developer Funded TIF Projects*
- Utility Improvements throughout the City

(*) Tax Increment Finance District Fund

Past economic conditions resulted in deferred replacement of a large number of City vehicles - in particular pickup trucks (1 ton and less). This has resulted in a situation in which one-third of the City's pickup truck fleet are now ten years or older. The adopted budget includes funding to begin correcting this situation. Significant new fixed asset purchases adopted for 2007-08 include: \$570,000 for replacement loader trucks in Solid Waste, \$273,700 for replacement police patrol vehicles and \$147,600 for a new ambulance.

Structural Balance – A Challenge for the Future

As Farmers Branch looks to the future, the City faces some challenges with significant impacts over the next few years. These long-term challenges include:

1. Adequately funding major capital improvements.
2. Supporting legislation that maintains current property tax, appraised value and sales taxation methodologies.

3. Utility, raw material and supply cost increases.
4. Renegotiation of water supply contract.
5. Landfill expansion opportunities/challenges.

As the City plans for the future, properly managed growth and development are directly related to increased property values and thus property tax revenues. As the City plans for the future, focused, efficient and effective financial planning must take place to balance the needs of the community with available resources. Future budgets will require the City to prioritize and invest in ways that create a sustainable return on our investment.

Acknowledgements

The challenges and opportunities of the coming year will be many as we embark upon a new era of change and prosperity. The preparation of this budget has been completed in a time of shifting economic conditions, priorities and goals. Charles Cox, Finance Director, along with his staff Mayve Strong, Chief Account, and Suzanne Prichard, Finance Technician deserve praise for their leadership and guidance in preparing a professional, citizen friendly document. Traci Leach, Management Analyst, has greatly enhanced the budget process as an effective budget analyst. Additional gratitude goes to Assistant City Managers Greg Vick and Mary Jane Stevenson, the Department Heads and employees for their hard work and determination to prepare this budget.




Finally, City Administration would like to thank the Mayor and City Council for their leadership and direction. It is a pleasure to work for a governing body that cares so much about their community and committed to improving the quality of life for its citizens. We look forward to carrying out the approved budget and serving the citizens of Farmers Branch.

Sincerely,



A handwritten signature in black ink, reading "Gary D. Greer". The signature is written in a cursive, flowing style.

Gary D. Greer
City Manager

Relationship between Council Citywide Goals and Departmental Goals

CITY COUNCIL GOALS		General Administration	Communications	Economic Development/Tourism	Human Resources	Finance	Community Services	Engineering	Public Works	Police	Fire	Parks	Library	Equipment Services
	<u>Public Safety</u>													
	1 Increase traffic enforcement and police presence.									X				
	2 Implement crime reduction strategies.									X				
	3 Increase the frequency of fire inspections.										X			
	4 Continue to develop community partnerships.									X	X			
	5 Complete construction and start operations of Fire Station No. 3.				X						X			
	6 Maintain emergency management training and operation program.										X			
	7 Review and update police and fire programs policies and procedures to meet community needs.									X	X			
	8 Complete and submit the Insurance Service Office's fire protection survey.										X			
	<u>Economic Development/Revitalization Efforts</u>													
	9 Continue to expand and enhance neighborhood revitalization and incentive efforts.			X										
	10 Implement Four Corners Study action plan.			X			X							
	11 Implement strategy to develop Farmers Branch Station.							X						
	12 Continue aggressive recruitment and retainment activities concerning businesses.			X										
	13 Work with developers of the west side to assure timely and high quality development of western Farmers Branch.							X						
	14 Increase the number of room nights generated for the hotel sector.			X										
	15 Update the comprehensive plan.						X							
	<u>Quality of Life/Beautification</u>													
	16 Continue to pursue strategies to address illegal immigration issues.	X												
	17 Enhance, expand and develop the visibility of the park system.											X		
	18 Continue aggressive and effective code enforcement.						X							
	19 Continue aesthetic enhancements (signage, median, fencing, waterways and other neighborhood improvements).								X			X		
	20 Create citywide trail system.											X		
	21 Purchase strategic properties to redevelop for beautification projects.	X												
	22 Develop a "signature event" for Farmers Branch.											X		

Relationship between Council Citywide Goals and Departmental Goals

CITY COUNCIL GOALS		General Administration	Communications	Economic Development/Tourism	Human Resources	Finance	Community Services	Engineering	Public Works	Police	Fire	Parks	Library	Equipment Services
 <u>Public Works/Infrastructure</u>														
23 Effectively maintain streets, sidewalks, alleys, drainage facilities, and water/sewer systems.								X						
24 Begin researching the development of a new Service Center.	X													X
25 Design and build a new animal shelter.						X								
26 Develop a long-term solid waste strategy for the future.								X						
27 Implement environmental programs concerning storm water, water conservation, hazardous waste collection and inflow/infiltration.						X		X						
28 Evaluate potential sites for the future relocation of Fire Station No. 1.										X				
 <u>Government Efficiency</u>														
29 Seek opportunities to streamline City services.					X									X
30 Prepare and implement a budget that assures a stable tax rate and provides needed services.					X									
31 Conduct an organizational study to determine if changes are needed to create greater efficiency and effectiveness.	X													
32 Pursue intergovernmental projects that eliminate duplication and increase efficiency.													X	
33 Seek opportunities to improve customer service in all City departments.		X		X	X	X							X	X
34 Evaluate and update the financial strategy.					X									
35 Continually improve financial health by meeting or exceeding fiscal policies and goals.					X									
36 Continue developing a multi-faceted public information program that connects with the community.		X				X								
37 Enhance important statistical and benchmark information for City services.	X													X
38 Recruit and retain a highly productive staff.				X					X	X				
39 Develop an efficient and effective records management system.	X													

FARMERS BRANCH PROFILE

The City of Farmers Branch is a political subdivision and home rule municipal corporation of the State, duly organized and existing under the laws of the State, including the City's Home Rule Charter. The City was incorporated in 1946 with an election on February 23rd and first adopted its Home Rule Charter in 1956. The City operates under a Council/Manager form of government governed by an elected Mayor and a five-member council elected at large. The term of office is three years, with the terms of the Mayor and three of the Councilmembers' terms expiring in even-numbered years and the terms of two other Councilmembers expiring in odd-numbered years. The City Manager is the Chief Administrative Officer for the City. Some of the services that the City provides are: public safety (police and fire protection), streets, water and sanitary sewer utilities, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services. The population during the City's year of incorporation was 800. The 2000 U.S. Census population for the City is 27,508, while the estimated 2007 population is 28,500 and the estimated daytime population is 91,900 as the business community commutes to the City's many high-rise office buildings and industrial parks.

History

Farmers Branch was settled in 1842 by Thomas Keenan and his wife Sarah. The area was called Mustang, as part of Peter's Colony, but later changed to Farmers Branch due to the rich soil and flourishing crops. The settlement originally included all the land between White Rock Creek on the east, the Elm Fork of the Trinity on the west, the Dallas County line on the north, and Cedar Springs on the south.

John Keenan was the first child born in Farmers Branch, but died two months later. He is buried in the Keenan Cemetery located on Valley View Lane, part of the original Keenan land.

Farmers Branch was widely advertised both in the East and in Europe. During the years 1845-1850, it was best known of all of the Texas settlements. The settlers were, for the most part, fairly well educated.

A blacksmith shop and gristmill started in 1845 by the Reverend William Bowles, a Baptist minister. The same year Isaac Webb donated land for Webb's Chapel Methodist Church, which also served as the first school in the county. Mr. Webb also served as the first postmaster when the Farmers Branch Post Office was established in 1848.

Other early settlers include Dr. Samuel Gilbert and his wife Julia. The couple lived with Isaac Webb until their home was completed in a grove of stately Post Oak trees. The Gilbert House consists of two-foot thick limestone walls and chestnut plank floors. The Gilbert House, located in the Farmers Branch Historical Park, is the oldest rock structure in Dallas County that is still on its original foundation.

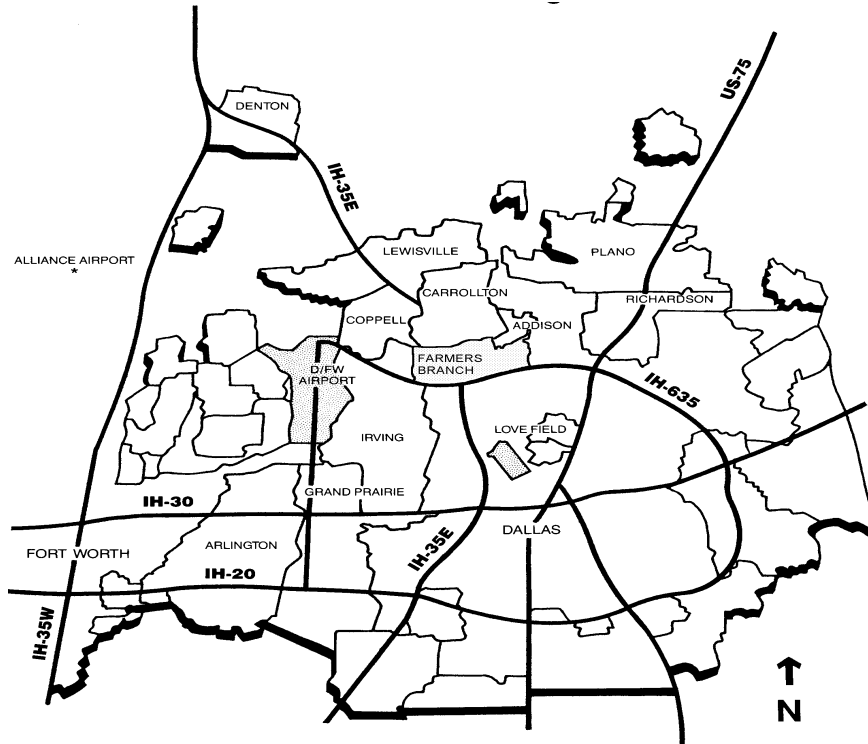
The first school was not well located and a new one was built about a mile northwest of the first on Rawhide Creek. Rawhide Creek was named from the first tanning yard in the County built by R.J. West. Due to the demand for leather, Mr. West did not allow the hides to cure in the vats long enough so that when they became dry they were extremely hard.

In 1874, to assure that railroads would come to Farmers Branch, Dr. Gilbert and other local settlers sold right-of-way through their land. Around 1877, the Dallas and Wichita Railroad built a depot. The original depot has been restored and relocated to the Farmers Branch Historical Park.

There are many interesting tales of happenings in Farmers Branch settlement, Indian raids on pumpkin patches, bears in the wilderness, and the like. The last buffalo seen east of the Elm Fork of the Trinity River was killed in early 1846 in a small glade about two miles southwest of the town now known as Farmers Branch. (This is approximately present day Royal Lane and Luna Road.)

The City

The City covers approximately 12.5 square miles and is conveniently located on Dallas' northern border, in the heart of an 11-county area that has emerged as a premier commercial, financial and trading center. This favorable business climate is driven by the City's location as it is bordered by two major interstate highways and the Dallas North Tollway. The Dallas/Fort Worth International Airport is only 10 minutes away from the City's west border and Dallas Love Field is less than 15 minutes down the freeway.



The City's broadly diversified economic base supports home furnishings, financial, high-tech, insurance, and telecommunications industries and includes many of the nation's foremost businesses. The City is the location of choice for 65 corporate headquarters, 24 Fortune 500 corporations, and approximately 2,500 small and mid-size firms. Some of the reasons that these enterprises chose the City as a local or regional business center include: the City's strategic Southwest location, convenience to local and worldwide transportation, low municipal tax rate, abundant labor, educational and cultural resources, and overall quality of life.

Three creeks traverse the City and there are more than 20 parks filled with picnic areas, bridges, playgrounds, walking areas and natural surroundings. Farmers Branch has preserved history in its 22-acre Historical Park which takes visitors on a "walk back through time" to the days of the early settlers in the 1800s. The Historical Park is also the site for many of the City's special events, including a Fourth of July event and Holiday Lighting Ceremony and drive-thru, and may be reserved for weddings, parties, family reunions, and other special gatherings.

Tax Base

Farmers Branch is able to provide many top-quality services to residents because 78% of the tax base comes from the business community. In addition, the City has raised taxes only three times in more than 30 years and continues to boast that Farmers Branch has one of the lowest municipal tax rates in the metroplex. The top ten largest property tax payers for the current tax year are as follows:

TAXPAYER	NATURE OF PROPERTY	TAXABLE VALUE	PERCENTAGE OF TOTAL CERTIFIED TAXABLE VALUE
Dallas Semiconductor	Semiconductor Manufacturing	\$ 92,064,208	2.41%
AT&T/Southwestern Bell/Cingular	Telecommunications	80,510,700	2.11%
Occidental Tower Corporation	Chemical Production	76,389,490	2.00%
Providence Towers LP	Real Estate Developers	71,420,390	1.87%
TCI Park West I Inc.	Real Estate Investment Company	62,678,800	1.64%
Glazers Wholesale	Spirit and Wine Distribution	55,321,360	1.45%
Prentiss Properties	Real Estate Developers	38,613,780	1.01%
Daltex Centre LP	Real Estate Developers	36,979,720	0.97%
Tuesday Morning PS Ltd	Retail	34,785,794	0.91%
YPI Thanksgiving Tower/Meridian	Office Complex	32,247,180	0.84%
		<u>\$ 581,011,422</u>	<u>15.21%</u>

Special Services

Some of the special services offered in Farmers Branch include twice-weekly garbage collection with no fee, free transportation to and from the Senior Center for those who have no other means of transportation, and an after school program for elementary school children. Citizens also enjoy informational programs seven days a week on the City's Cable Access Channel 16 – FBTv, WPIW 1670 AM radio station, and receive a monthly city newsletter. The Police Department offers a free House Watch program for residents who are away from home, as well as other specialized services.

Education

Education for the school age children in Farmers Branch is provided by two different school districts dependent upon where a family resides. The City is served by the Carrollton-Farmers Branch and Dallas Independent School Districts. The majority of the City's residents are part of the Carrollton-Farmers Branch ISD, which encompasses a 53.42 square mile area and provides a quality educational system that believes in the importance of a strong community-school relationship. This belief, combined with a strong financial base, makes the Carrollton-Farmers Branch ISD a star attraction in the Dallas-Fort Worth metroplex. The District recently created the R.L. Turner High School Academies for Biomedical Professions and Media Arts & Technology to serve growing demand for these professions.

Nine major Texas universities and colleges are located within easy driving distance of Farmers Branch. They include Brookhaven Community College, the University of Dallas, Texas Christian University, Texas Woman's University, Southern Methodist University, the University of North Texas, the University of Texas at Arlington, the University of Texas Southwest Medical Center, and the University of Texas at Dallas.

Health Care

Farmers Branch is fortunate to have top-quality medical facilities like RHD Memorial Medical Center. There are numerous other major medical facilities only minutes away.

Community Services

Above are just a few of the special benefits offered in Farmers Branch. However, what makes Farmers Branch so unique is its residents. The people of Farmers Branch are concerned, involved, and proud of their community. That's what makes us, "A Cut Above the Rest!"

Census Snapshot

DEMOGRAPHICS		
	1990	2000
City Population	24,250	27,508
Area (Square Miles)	12.1	12.1
Median Age	31.1	34.7
Percent of Population by Age Group		
Residents of Ages 0 to 19	26.95%	28.52%
Residents of Ages 20 to 34	25.14%	21.99%
Residents of Ages 35 to 54	26.81%	28.01%
Residents of Ages 55 to 64	11.46%	9.33%
Residents of Ages 65 and Older	9.64%	12.13%
Total Persons of Working Age (16 years & older)	19,012	21,553
Employment by Occupations		
Mgmt., Profess. & Related Occupations	28.31%	32.30%
Service	13.80%	13.30%
Sales and Office	35.55%	29.70%
Farming and Forestry	0.89%	0.20%
Construction, Production and Maint.	10.05%	9.40%
Operators, Trans. & Material Moving	11.40%	15.20%
Population by Income Level		
Per Capita Income	\$ 17,122	\$ 24,921
Median Family Income	\$ 41,815	\$ 57,531
Population by Highest Education Level (% of Population 25 Years & Older)		
Less Than 9th Grade	8.7%	11.9%
9th to 12th Grade, No Diploma	11.8%	11.9%
High School Graduate (includes equiv.)	25.1%	21.9%
Some College, No Degree	23.7%	22.8%
Associate Degree	5.6%	4.2%
Bachelor's Degree	18.6%	19.4%
Graduate or Professional Degree	6.5%	7.8%
Population by Race & Ethnicity		
White	84.9%	78.4%
Black or African American	2.8%	2.4%
American Indian	0.7%	0.5%
Asian or Pacific Islander	2.3%	3.0%
Other	9.3%	13.0%
Persons Reporting Two or More Races	0.0%	2.7%
Hispanic or Latino (of any race)	20.2%	37.2%
Occupied Housing Units	8,771	9,766
Owner-Occupied Housing Units	6,107	6,642
Renter-Occupied Housing Units	2,664	3,124
Households by Income	8,859	9,885
Less than \$10,000	5.81%	3.70%
\$10,000 to \$14,999	5.86%	3.00%
\$15,000 to \$24,999	16.11%	8.30%
\$25,000 to \$34,999	16.13%	12.20%
\$35,000 to \$49,999	22.20%	17.00%
\$50,000 to \$74,999	20.00%	23.60%
\$75,000 to \$99,999	7.04%	12.50%
\$100,000 to \$149,999	4.55%	11.90%
\$150,000 to \$199,999	2.30%	4.00%
\$200,000 or more	N/A	3.80%

Source: U.S. Census Bureau

TOP TEN EMPLOYERS		
Company	Product	Employees
IBM Corporation	Office Products	2,928
JPMorgan Investment Serv.	Financial Services	2,390
Dallas Semiconductor	Semiconductor Manufacturing	1,352
GEICO	Insurance	1,200
Tuesday Morning	Retail - General Merchandise	1,000
Cingular Wireless	Telecommunications	830
TD Industries	HVAC	811
Essilor Labs of America	Eye Wear	751
Celanese Corporation	Chemicals	700
Monitronics International	Alarm Monitoring	662
TOP TEN BUSINESS CATEGORIES		
2nd Qtr. 2006 thru 1st Qtr. 2007		
Business Type	Taxable Sales Per Capita	
Retail Trade	\$	14,409
Wholesale Trade		12,113
Construction		2,906
Admin & Support and Waste Mgmt & Remediation Services		2,694
Accommodation & Food Services		1,904
Manufacturing		1,584
Professional, Scientific & Technical Services		1,479
Information		744
Other Services (except Public Administration)		620
Real Estate & Rental & Leasing		594
Number of Businesses in Farmers Branch (approximate)		2,600
Number of Registered Voters		13,952
Estimated Population per North Central Texas Council of of Governments		28,500
Estimated Daytime Population		91,900

BUDGET PROCESS OVERVIEW

What is a Budget?

A budget is a financial and operating plan for a City for a period called a "fiscal year." The City of Farmers Branch's fiscal year begins on October 1 and ends on September 30. The fiscal year that begins on October 1, 2007 is referred to as "Fiscal Year 2008." The budget is considered a financial plan, a policy plan, an operating guide, and a communications device.

The City cannot spend money unless it is appropriated within the budget. An appropriation is the legal approval given by the City Council to the City staff to spend money for a specific purpose. The budget also contains an estimate of revenues to be received by the City during the same time period. The legal authorization to collect revenues, such as property tax, utility charges, franchise fees, and user fees, is provided by City Council by ordinance. Also included in the budget is the estimate of monies left over from the prior fiscal year that can be spent and appropriated in the new year. This money is called available or undesignated and unreserved fund balance. The City Charter provides that a portion of undesignated fund balance may be set aside to meet unexpected and unforeseen contingencies in the current operating costs of any project budget.

The Budget Document

The budget document begins with a transmittal letter from the City Manager. This letter summarizes the contents of the budget and provides an explanation of the rationale used by the City Manager during the budget development process. The City Manager also outlines the administration's work program for the upcoming year.

The budget document is divided into nine sections. The first section contains an overview of the City's budget through the budget transmittal, budget at a glance, budget process, and organizational charts, as well as budget summary information in graph and table form on all the operating funds of the City. Also included in this section is a detail of budgetary policies relating to financial management and accounting practices. The next seven sections each concentrate on a particular fund of the City. The final section contains a glossary, personnel staffing summaries and budget ordinances.

The Budget Process: How is the budget prepared, adopted and amended?

The City Charter provides that the City Manager must prepare a proposed budget to be submitted to the City Council prior to August 1st each year. Prior to that date, department heads prepare budgets for their departments. These budgets are then compiled into a budget for the entire City by the Finance Department. These budget proposals are then reviewed by the City Manager, Assistant City Managers, Director of Finance, and the department head. The City Manager then submits a recommended budget to the City Council. Public hearings are then conducted, at which time all interested persons' comments concerning the budget are heard. After adoption by City Council, a budget may be amended by ordinance any time during the fiscal year to account for unusual or unforeseen conditions that occurred subsequent to the original budget adoption. The budget is generally amended at mid-year and year-end. The Year-End Amended Budget is based upon estimated current year actuals. The budget ordinance provides that the City Manager may transfer unencumbered appropriations within each departmental division's summary budget category (as itemized in the adopted budget) without a budget amendment.

Budget Calendar

March	Neighborhood & Corporate Meetings - Citizen and business input.
March 30	Mid-Year Budget amendments submitted to City Council.
April 2	Mid-Year City Council Budget Workshop to review progress on current year budget and priorities for the upcoming budget year
April 16	Fiscal Year Budget instructions distributed to departments. Final Mid-Year Budget submitted to City Council.
May 11	Fiscal Year Budget requests, departmental narratives, objectives, and progress on past objectives due to Finance.
May 18	Completed Fiscal Year Budget forms forwarded to City Manager.
May 22-25	Fiscal Year Budgets reviewed with City Manager, Assistant City Managers, Director of Finance, and Department Heads.
June 8	Final Fiscal Year Budget changes submitted to Finance.
July 25	Tax roll certified by Dallas Central Appraisal District.
July 31	Submit proposed Fiscal Year Budget to City Council. Proposed Fiscal Year Budget available for public review.
August 21	City Council Budget Workshop – Fiscal Year Budget.
September 18	Public hearing held on Fiscal Year Budget.
September 18	Present final Fiscal Year Budget to City Council. Year-End Budget amendments presented to City Council.
October 1	Budget effective date.

Truth in Taxation

State “truth-in-taxation” laws give taxpayers a voice in decisions that affect their property tax rates. Beginning in early August, the City takes the first step toward adopting a tax rate and complying with these laws by calculating and publishing the effective and rollback tax rates. The City publishes the rates in a local newspaper, along with a list of the debts it must pay and the amount of money left over from the previous year.

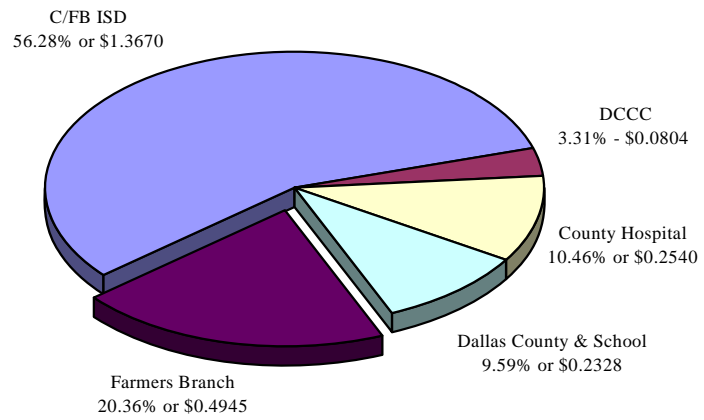
The effective tax rate would provide the City with approximately the same amount of revenue it had the year before on properties taxed in both years. For example, if property values go up, the effective tax rate goes down. Comparing the effective tax rate to the City’s proposed tax rate tells you whether there will be a tax increase.

The rollback tax rate provides the City approximately the same amount of tax revenue it spent the previous year for day-to-day operations plus an extra 8% cushion, and sufficient funds to pay its debts in the coming year. If the City adopts a tax rate that is higher than the rollback rate voters in the City can petition calling for an election to roll back or limit the size of the tax increase.

WHERE YOUR TAX \$ GOES

City % (Rounded)	
1985	30%
1986	29%
1987	26%
1988	27%
1989	24%
1990	24%
1991	20%
1992	19%
1993	19%
1994	19%
1995	19%
1996	19%
1997	19%
1998	18%
1999	18%
2000	18%
2001	17%
2002	16%
2003	16%
2004	17%
2005	17.5%
2006	17.2%
2007	18.10%
2008	20.36%

Overlapping Property Tax Rates 2007-08

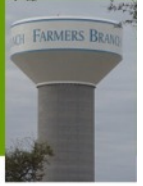


The total overlapping taxes for our citizens currently are \$2.4287 per \$100 valuation.



**FARMERS
BRANCH**

How Your Property Tax Dollars Work FOR YOU



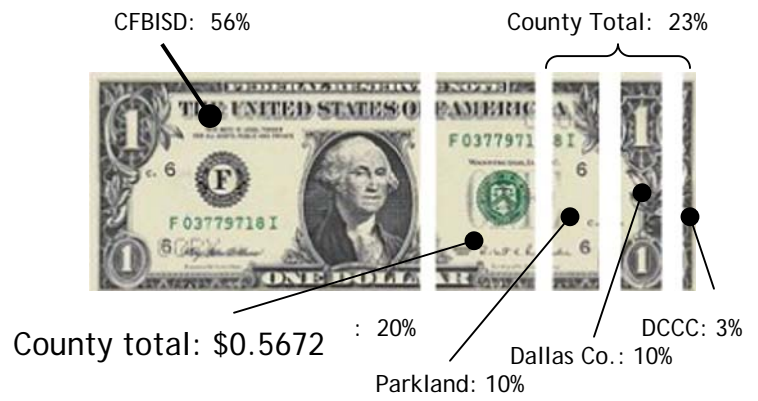
Property Tax Rates 2007-08

As a Farmers Branch resident, your property tax dollars are at work not only within the City of Farmers Branch, but also within other entities.

How Your Tax Dollar is Distributed:

The following annual tax rate is levied per each \$100 of your home's value.

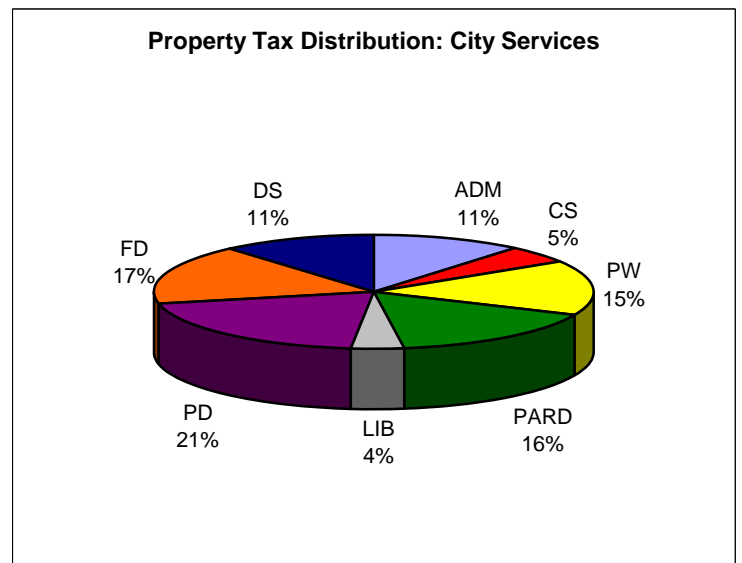
- Carrollton-Farmers Branch ISD: \$1.367
- City of Farmers Branch: \$0.4945
- Parkland Hospital: \$0.2540
- Dallas County: \$0.2328
- Dallas County Community College: \$0.0804



How Your Property Tax Dollar is Distributed Among City Services:

Property Tax of \$0.4945 cents (per \$100 of assessed property value)

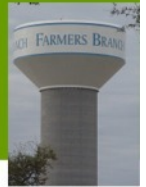
- Police Department (PD): \$0.09994
- Fire Department (FD): \$0.08356
- Parks and Recreation (PARD): \$0.08057
- Engineering/Public Works (PW): \$0.07605
- Debt Service (DS): \$0.05592
- Administration (ADM): \$0.05457
- Community Services (CS): \$0.02547
- Library (LIB): \$0.01841



This information is also available at www.farmersbranch.info



How Your Property Tax Dollars Work FOR YOU



**FARMERS
BRANCH**

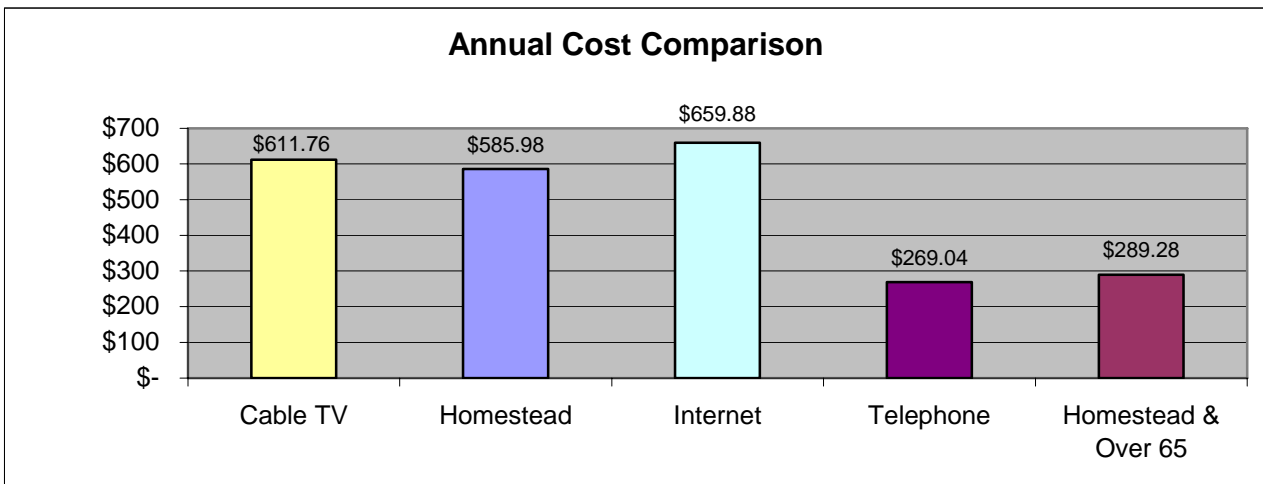
What Property Taxpayers Pay for City Services:

- Value of the average Farmers Branch home is \$148,124.
- Average City property tax with a homestead exemption is \$585.98
- Average City property tax with both homestead and over 65 exemptions is \$289.28.
- Other revenues, such as sales tax, franchise fees, and other fees, plus property taxes paid by businesses make the difference between the amount of property taxes paid and actual costs to the City.

Department	Homeowners Pay With Homestead	Homestead & Over 65	Actual Cost to City Per Household
Administration	\$ 64.67	\$ 31.92	\$ 516.99
Community Services	\$ 30.18	\$ 14.90	\$ 241.25
Public Works	\$ 90.12	\$ 44.49	\$ 720.47
Parks & Recreation	\$ 95.48	\$ 47.14	\$ 763.33
Library	\$ 21.82	\$ 10.77	\$ 174.45
Police	\$ 118.43	\$ 58.46	\$ 946.78
Debt Service	\$ 66.27	\$ 32.72	\$ 529.80
Fire	\$ 99.02	\$ 48.88	\$ 791.64
Total	\$ 585.98	\$ 289.28	\$ 4,684.70

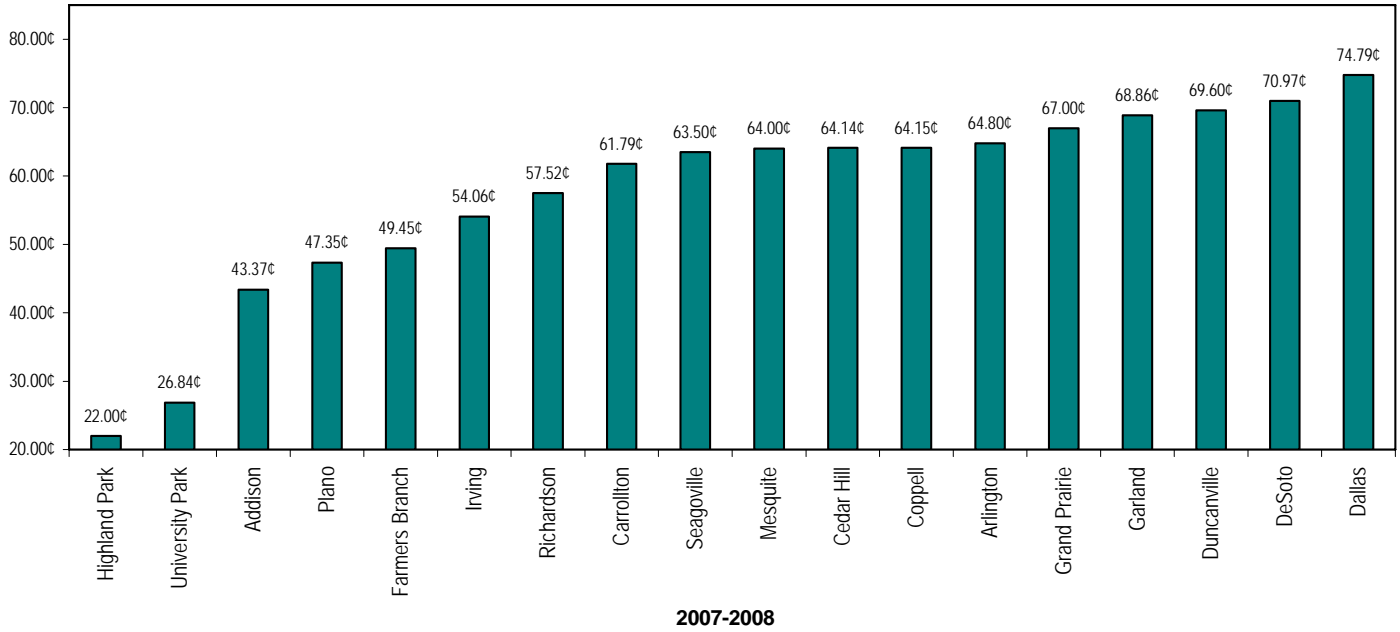
Cost Comparison:

- Average monthly cable bill (Basic and Expanded Basic), including taxes and fees: \$50.98
- Average monthly Internet bill, including taxes and fees: \$54.99
- Average monthly telephone bill (no additional features) including taxes and fees: \$22.42



This information is also available at www.farmersbranch.info

MUNICIPAL TAX RATE COMPARISON
within Dallas area
(per \$100 assessed valuation)



The City's property tax rate compares favorably with other area cities.

FINANCIAL MANAGEMENT POLICIES

Purpose

The financial management policies of the City are designed to ensure the financial integrity of the City's government and assist the City in achieving the following:

- * Quality City services that meet the needs and desires of the citizens.
- * A financial base sufficient to maintain or enhance City assets required to support community service demands.
- * Prudent and professional financial management practices to assure residents of Farmers Branch and the financial community that City government is well managed and in sound fiscal condition.
- * Cost effective services to citizens through cooperation with other government entities.
- * A Capital Improvement Program that maintains and enhances the public's assets.

General Goals

The City will follow a five-year review and rotation evaluation of an outside (independent) auditor. The auditors must demonstrate breadth and depth of staff necessary to handle the City's audit in a timely manner. The audited financial statements are required by City Charter to be prepared within 120 days of the close of the fiscal year.

Annual reporting will be done within the guidelines set forth in the Governmental Accounting and Auditing Financial Review and under the standards currently being set by the Governmental Accounting Standards Board (GASB). Interim activity reports will be made available to City Council and management. Financial systems will be maintained to monitor expenditures and revenues on a monthly basis with a thorough analysis at the end of each quarter. Budgets for all funds are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP). Annual appropriated budgets are adopted for all funds. Appropriations may remain open for 180 days subsequent to year-end unless related to a multi-year capital project.

The City will strive to maintain accounting policies and practices in the preparation of its annual financial report. The report will be presented to the Government Finance Officers Association (GFOA) for review of qualifications that meet those necessary to obtain the Certificate of Achievement for Excellence in Financial Reporting. The City will also submit its annual budget to GFOA for review of qualifications that meet those necessary to obtain the Distinguished Budget Presentation Award.

Revenue Objectives

The City will strive to operate a revenue system that is simple and reliable so that assurances can be provided that the revenue base will materialize according to budget planning. Consistent monitoring and collection policies will be maintained to insure the integrity of the revenue system. The City will periodically review its fee structure to insure that revenue collections are adequate to meet corresponding expenditures (cost of service concept).

The Enterprise Funds and Internal Service Funds engage in transactions with other funds of the City. All services rendered by these two funds for other funds of the City should be billed at predetermined rates and all services received by these funds from other funds should be paid on the same basis that other users are charged.

The Enterprise Fund will pay a franchise fee based on the same rationale as used with the electric, gas, and telephone companies. A franchise fee is paid to compensate the City for street and alley usage. Payment-in-lieu-of-taxes (P-I-L-O-T) will be charged to offset the ad valorem taxes lost due to the non-profit status of the fund. This P-I-L-O-T is computed by applying the effective property tax rate to the book value of the fund's assets since there is no market value. Administrative costs will be charged for services of general overhead, such as administration, finance, customer billing, personnel, data processing, legal counsel, and other costs as appropriate. The charges will be determined through an indirect cost allocation following accepted practices and procedures.

Expenditure Issues

Expenditures will be made in accordance with the City Charter, budget ordinance, and City & State purchasing guidelines.

Budget Concepts & Multi-Year Planning

The budget process is part of a multi-year plan including the multi-year financial objectives. The following objectives and their status within this budget have been categorized between General Governmental and Water & Sewer Funds.

General Governmental

- *Objective One* is to formulate future budgets so that no use of fund balance will be required in the final operating results.
- *Objective Two* is to provide sufficient funds to maintain the City's streets in terms of pavement structure, rideability and appearance in accordance with the following schedule:

Reconstruction	1 Lane-Mile
Resurfacing	11 Lane-Miles
Repair	3,250 Square Yards
Seal	25 Lane-Miles

The schedule for reconstruction and resurfacing is intended to be a yearly average over four years (in any given year the number of lane-miles of reconstruction and resurfacing will vary).

- *Objective Three* is to provide, from operating revenues, funding for new major capital improvement projects consistent with the future capital projects plan.
- *Objective Four* is to follow a pay-as-you-go capital financing strategy.

Water & Sewer

- *Objective One* is to maintain a self-sufficient Water & Sewer Fund so as to avoid General Fund subsidies.
- *Objective Two* is to provide, from Water & Sewer operating revenues, funding for new capital projects consistent with a long-range capital projects plan.
- *Objective Three* is to provide for reinvestment in the existing water and sewer system with current operating revenues. The target level of funding is equal to the annual depreciation in the Water & Sewer Fund.
- *Objective Four* is to provide for Water & Sewer rate increases when necessary to cover cost increases to the City.

Fund Balance/Operating Position Concepts

The City will maintain an undesignated, unreserved fund balance to be used for unanticipated emergencies of 25% of the operating budget of the General Fund. A net current assets balance of \$2.0 million is targeted for the Water & Sewer Fund. Net current assets is an amount derived by subtracting current liabilities from current assets. This amount is the best approximation in an enterprise type fund of spendable resources, which are available for appropriation. These monies will be used to avoid cash flow interruptions, generate interest income, reduce the need for short-term borrowing, and assist in maintaining an investment-grade rating. Each fund may borrow internally from other funds to provide for cash flow requirements. These loans will be on a short-term basis. Funds of the City will not be operated on a deficit basis.

A balanced budget is an operating budget adopted whereby revenues equal or exceed expenditures and no use of fund balance is required in the final operating results.

Capital Infrastructure and Fixed Asset Financing Strategy

The City will strive to direct revenue growth towards reinvestment in capital infrastructure and fixed assets. This use of operating revenues offers flexibility to the City in using a pay-as-you-go cash financing strategy. The advantages of this flexibility include allowing capital projects to be added if additions to fund balance increase or deferred if economic conditions change. The cash financing strategy also allows projects to be changed and/or substituted from year-to-year.

Fixed asset funding is provided through appropriate transfers from operating departments to an internal Fixed Asset Fund. The goal is to provide an internal financing mechanism to finance the replacement of equipment at the operationally optimum time. The timing of fixed asset purchases may coincide with the fiscal year in which transfers are made from the operating departments. However, expensive or infrequent purchases may be paid for over several fiscal years thereby avoiding a peak in the department's budget for fixed assets. The "installment" payments become a designated part of the Fixed Asset Fund balance until the purchase actually occurs. For financial reporting purposes, the Fixed Asset Fund is consolidated with the actual operating fund into one summarized fund.

Debt/Capital Planning Criteria

When applicable, the City shall review its outstanding debt annually for the purpose of determining if the financial marketplace will afford the City the opportunity to refund an issue and lessen its debt service costs. In order to consider the possible refunding of an issue a Present Value savings of three percent over the life of the respective issue, at a minimum, must be attainable.

Whenever possible, the City will use special assessment, revenue, or other self-supporting bonds instead of general obligation bonds, so those benefiting from the improvements will bear all or part of the cost of the project financed. Optional redemption features will be considered for all bond issues depending upon market conditions and/or the needs of the City. Complex derivative-based strategies such as Swaps are not authorized. The City will annually review all debt issues for arbitrage rebate filing and compliance requirements.

The City will maintain good communications with bond rating agencies regarding its financial condition. The City will follow a policy of full disclosure on every financial report and borrowing prospectus. The City will strive to limit general obligation annual debt service requirements to 20% of general governmental expenditures. Revenue bond coverage (Water & Sewer) shall be maintained at a minimum of 1.5% or as stipulated by bond covenants.

Long-term debt shall not be used for operating purposes. The life of bonds shall not exceed the useful life of the projects.

The City will strive to maintain a bond rating of at least an "AA" for General Obligation debt and a rating of "A1" for any future Water & Sewer Revenue debt.

The City Charter of the City of Farmers Branch, Texas, does not provide a debt limit. Under the provision of State law (Article XI, Section 5, of the State of Texas Constitution), the maximum tax rate is limited to \$2.50 per \$100 assessed valuation. The maximum annual debt service amount that could be supported by this maximum tax rate in 2007-08 is approximately \$95.5 million. The City's tax rate is currently \$0.4945 per \$100 of assessed valuation. This current tax rate supports general governmental operations and approximately \$2.2 million in annual debt service.

Dividend Plan

On February 3, 1997, the City Council approved a plan to annually review and analyze the fiscal condition of the City's General Fund and establish a framework for declaring a dividend. The dividend plan has been used effectively in good economic times and has helped the City maintain financial stability and strength.

The criteria for declaring a dividend include meeting the following:

1. An audit for the prior fiscal year has been completed that details unreserved and undesignated General Fund fund balances.
2. The City's 90-day fund balance reserve requirement has been met.
3. All multi-year financial objectives are met.
4. The pay-as-you-go capital plan is appropriately funded.
5. Liabilities have been reviewed for appropriate funding.
6. Needs or opportunities that arise after the adoption of the current budget are considered.
7. The prior year addition to the General Fund fund balance remaining after the above criteria have been met would be available for dividend distribution consideration.
8. Dividends will be paid to taxpayers on an equitable basis.

The adopted budget may be amended during the year if the criteria noted above is evaluated and met in order to provide for a dividend.

Cash and Investment Management Concepts

The City shall manage and invest its cash in accordance with City Investment Policy guidelines and State law. The City shall maintain a comprehensive cash management program that includes collection of accounts receivable, vendor payment in accordance with invoice terms, and prudent investment of available cash.

Interest earned from investment of available funds, whether pooled or not, shall be distributed to the funds from which monies were provided to be invested.

Compensation Practice Philosophy

The basic philosophy of Farmers Branch is to provide an equitable compensation program for all employees. The basic concept of the pay system is that job responsibility and job performance will be the key determinants of an employee's salary.

The purpose of the City's performance based pay system is to attract, retain, and motivate employees through the payment of financial compensation that is commensurate with the individuals' ability, responsibility, and contribution toward the City's goals. The program is concerned with providing a compensation framework to inspire the development and progress of each employee. It is further designed to recognize and reward outstanding performance and achieve internally equitable and externally competitive compensation.

Risk Management

The City will aggressively pursue every opportunity to provide for all the public's and City employees safety and to manage its risks. The goal shall be to minimize the risk of loss or resources through liability claims with an emphasis on safety programs. All reasonable options will be investigated to finance risks. Such options may include risk transfer, insurance and risk retention. Where risk is retained, reserves will be established based upon actuarial determinations and not be used for purposes other than for financing losses.

Bond Rating Information

The City maintains favorable ratings from bond rating agencies. The ratings are as follows:

	Moody Investors Service	Standard & Poor's
General Obligation Bonds	Aa3	AA
Combination Tax & Hotel/Motel Tax Revenue Bonds	Aa3	AA
Combination Assessment and Utility System Revenue Bonds	A2	AA-
Combination Tax & Revenue Certificates of Obligation (Insured)	Aaa	AAA

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

Farmers Branch's accounting and financial reporting system follows the principles established by the Governmental Accounting Standards Board (GASB). An annual audit of the City's system is performed by an independent public accounting firm with the subsequent issuance of a comprehensive annual financial report.

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts, which comprise its assets, liabilities, fund balance/retained earnings, revenues, and expenses/expenditures.

Measurement focus refers to what is being measured and basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the time of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. Debt service expenditures and expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Property, franchise, sales and hotel occupancy taxes, and investment income (including unrealized gains and losses) are all considered to be susceptible to accrual and so are recognized as revenues of the current fiscal period. The portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City's Proprietary Fund Types are accounted for on a cost of service or "capital maintenance" measurement focus, using the accrual basis of accounting, under which revenues are recognized when earned and expenses are recognized when the related liabilities are incurred.

The budgetary basis of accounting follows the Generally Accepted Accounting Practices (GAAP) basis of accounting with the following exceptions: Annual operating budgets are prepared on a budgetary basis of accounting for all governmental funds, whereby year-end encumbrances are recognized as expenditures in the current year budget. Capital projects funds are budgeted over the life of the respective project and not on an annual basis. Proprietary funds are budgeted using an accrual basis, except for capital expenses, depreciation, and debt service payments, which are budgeted on a cash basis. Unexpended appropriations for budgeted funds lapse at fiscal year-end. Encumbrance accounting is used for all funds.

FUND LISTING

The basic building block of governmental finance and budgeting is the “fund.” Each fund is independent of all others and is created to account for the receipt and use of specific revenues. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances/retained earnings, revenues, and expenditures/expenses. The City exercises budgetary control over governmental and proprietary fund types. A description of each fund and fund type follows:

Governmental Fund Types:

General Fund - The General Fund is used to account for the current day-to-day operations of the City, which are financed from property taxes and other general revenues. Activities financed by the General Fund include those of all line and staff departments within the City, except for such activities financed for in the Proprietary and Special Revenue Funds.

Fixed Asset Fund (General) - Appropriate transfers are made to this fund from operating General Fund department budgets to finance fixed asset replacement. For comprehensive annual financial reporting purposes, the Fixed Asset Fund is consolidated into one summarized General Fund.

Special Revenue Funds - The Special Revenue Funds are used by the City to account for revenues derived from specific taxes, sale of assets and contributions that are reserved or designated to finance particular functions or activities of the City. The following is a description of the City's Special Revenue Funds.

Hotel/Motel Fund – Used to account for receipt and allocation of the City's hotel/motel occupancy tax. Use of this tax is limited by law to the promotion of tourism and other restricted uses. The hotel occupancy tax rate for the City's hotels is 7%.

Fixed Asset Fund (Hotel/Motel) - Appropriate transfers are made to this fund from operating Hotel/Motel Fund department budgets to finance fixed asset replacement. For comprehensive annual financial reporting purposes, the Fixed Asset Fund is consolidated into one summarized Hotel/Motel Fund.

Police Forfeiture Fund – Used to account for proceeds from the sale of assets seized in connection with drug arrests. Revenues are reserved for law enforcement expenditures.

Donations – Used to account for voluntary contributions for community improvement.

Youth Scholarship – Used to account for voluntary contributions for youth scholarships that allow resident youths to access non-City sponsored programs.

Grants – Used to account for grant related programs.

Building Security Fund – Used to account for certain proceeds from ticket fees, which must be used for building security purposes.

Court Technology Fund – Used to account for certain proceeds from ticket fees, which must be used for technological enhancements.

Landfill Closure/Post-Closure – Used to account for resources needed for future landfill final closure and postclosure costs.

Stars Center – Used to account for Dallas Stars rent payments and transfers to debt service.

Cemetery – Used to account for grounds maintenance of Keenan Cemetery.

Legal Defense – Used to account for donations for legal defense.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Funds - The Capital Projects Funds account for all resources used for the acquisition and/or construction of major capital facilities by the City. The following is a description of the City's Capital Projects Funds:

Non-Bond CIP Fund – Used to account for the financing and construction of major capital facilities by the City, except for those financed by general obligation bonds or by the Water & Sewer Fund. Funded primarily by operating transfers from the General Fund.

Hotel/Motel CIP Fund – Used to account for the construction and financing of historical park improvements. Funded by Hotel/Motel tax revenues.

DART LAP Fund – Used to account for the construction and financing of transit related improvements. Funded by the Dallas Area Rapid Transit Local Assistance Program (LAP).

Tax Increment Finance District #1 – Used to account for infrastructure construction in the Mercer Crossing tax increment financing (TIF) district. Funded by developers' contributions and advances and incremental property tax payments.

Tax Increment Finance District #2 – Used to account for infrastructure construction in the Old Farmers Branch tax increment financing (TIF) district. Funded by developers' contributions and advances and incremental property tax payments.

Certificates of Obligation Series 2007 – Used to account for the construction of a new animal shelter and the reconstruction of several streets. Funded by certificates of obligation bond proceeds.

Proprietary Fund Types:

Enterprise Funds - The Enterprise Funds are used to account for water and sewer utility operations that are financed and operated in a manner similar to private business enterprises. The intent of the City is that the costs of providing utility services to the general public on a continuing basis be financed or recovered primarily through user charges (utility bills). For comprehensive annual financial reporting purposes, all of the following Enterprise Funds are consolidated into one summarized Enterprise Fund.

Water & Sewer Fund – Used to account for the current day-to-day utility operations of the City, which are financed from utility user charges.

Non-Bond Utility Fund – Used to account for the financing and construction of major water and sewer distribution and storage facilities by the City. Funded primarily by transfers from the Water & Sewer Fund.

Fixed Asset Fund (Enterprise) - Appropriate transfers are made to this fund from operating Enterprise Fund department budgets to finance fixed asset replacement.

Internal Service Funds - The Internal Service Funds account for the financing services provided by one department to other departments of the City on a cost reimbursement basis. The following is a description of the City's Internal Service Funds:

Equipment Services Fund – Used to account for materials and supplies provided exclusively to other funds and departments of the City.

Workers' Compensation Fund – Used to account for the City's workers' compensation self-insurance program.

Fixed Asset Fund (Internal Service) - Appropriate transfers are made to this fund from operating Internal Service Fund department budgets to finance fixed asset replacement.

OPERATIONAL STRUCTURE

Each operational fund is comprised of departments, which are major organizational units of the City. Each department has overall management responsibility for one or more divisions. For all departmental divisions, descriptions stating responsibilities, goals, objectives (indicating direction), and accomplishments (indicating progress) are presented. Expenditure summaries list the subtotal expenditures/expenses for categories such as personnel services, materials and supplies, and capital outlay. Personnel summaries indicate the title and number of positions in each division. "Budget Highlights" are also provided which detail new program initiatives or capital outlay expenditures. The operational units by fund are listed on the following page.

Expenditure Summaries

General Fund expenditures can be summarized in several ways, each providing information with a different focus. Several summaries are presented in the General Fund section of the budget:

Summary by Department shows who in the City organizational chart is most directly responsible for control and management of the various activities.

Summary by Function shows the purpose of each City activity in categories specified by State reporting requirements. Grouping activities in the functional areas of general government, public works, public safety, culture and parks, and special expenditures allows for comparisons with other local governments in the State.

Summary by Type of Expenditure shows how the City plans to accomplish its goals and objectives, in the categories of personal services/benefits, purchased professional and technical services, supplies, repairs and maintenance, services, production and disposal, contracts, Christmas activities, other objects, and transfers to other funds.

FUND	DEPARTMENT	DIVISION
General	General Government	General Government General Contracts Legal Non-Departmental
	General Administration	General Administration
	Communications	Communications
	Economic Development & Tourism	Economic Development
	Human Resources	Human Resources
	Finance	Finance Administration Information Services Accounting Purchasing Municipal Court
	Community Services	Community Services Administration Building Inspection Environmental Health
	Engineering	Engineering Administration Traffic Engineering
	Public Works	Public Works Administration Solid Waste Collection Street Maintenance
	Police	Police Administration Police Investigations Police Patrol Police Communications
	Fire	Fire Administration Fire Prevention Fire Operations
	Parks and Recreation	Parks and Recreation Administration Building Maintenance Park Maintenance Recreation Swimming Pool Senior Center Park Board Senior Advisory Board Christmas
	Library	Library
Water & Sewer	Public Works	Water & Sewer Administration Water & Sewer Operations
Internal Service	Equipment Services	Fleet Maintenance
Hotel/Motel	Parks & Recreation	Historical Preservation/Special Events
	Economic Development & Tourism	Convention Center Promotion of Tourism

ADOPTED BUDGET 2007-08
CONSOLIDATED SUMMARY OF REVENUES AND EXPENDITURES
for Operating Funds & Capital Project Funds

	ACTUAL 2005-06	ADOPTED BUDGET 2006-07	YEAR-END AMENDED BUDGET 2006-07	ADOPTED BUDGET 2007-08
ESTIMATED BEGINNING BALANCES	<u>\$43,366,296</u>	<u>\$40,603,845</u>	<u>\$47,645,157</u>	<u>\$49,017,245</u>
REVENUES				
Ad valorem taxes	16,683,857	17,659,800	17,659,800	19,520,000
Non-property taxes	13,545,216	14,810,200	14,810,200	15,160,200
Franchise fees	5,791,637	4,548,000	4,463,000	4,763,000
Licenses & permits	901,032	812,000	812,000	757,000
Charges for service	19,799,532	17,966,900	17,069,200	17,949,100
Fines and forfeits	2,520,121	3,884,000	3,069,000	2,623,000
Interest and other	10,286,355	6,792,450	19,342,831	17,237,169
TOTAL REVENUES	<u>69,527,750</u>	<u>66,473,350</u>	<u>77,226,031</u>	<u>78,009,469</u>
TRANSFERS FROM OTHER FUNDS	<u>1,226,500</u>	<u>6,912,500</u>	<u>7,874,858</u>	<u>2,037,500</u>
TOTAL REVENUES AND TRANSFERS	<u>70,754,250</u>	<u>73,385,850</u>	<u>85,100,889</u>	<u>80,046,969</u>
TOTAL AVAILABLE RESOURCES	<u>114,120,546</u>	<u>113,989,695</u>	<u>132,746,046</u>	<u>129,064,214</u>
EXPENDITURES				
General government	8,504,871	10,743,002	10,147,602	11,292,643
Public safety	15,987,176	17,159,020	17,723,720	19,630,100
Public works	6,561,613	8,710,500	7,698,100	7,813,700
Culture and recreation	9,438,816	9,938,500	10,052,922	10,287,700
Utilities	9,184,879	10,184,800	9,446,600	10,270,800
Capital projects	10,659,164	16,891,398	15,018,557	25,491,848
Debt service	4,231,700	4,348,400	5,255,900	3,265,900
Tourism/historical preservation	1,347,430	1,531,700	1,546,700	1,672,000
TOTAL EXPENDITURES	<u>65,915,649</u>	<u>79,507,320</u>	<u>76,890,101</u>	<u>89,724,691</u>
TRANSFERS TO OTHER FUNDS	<u>1,226,500</u>	<u>7,912,500</u>	<u>6,838,700</u>	<u>761,900</u>
TOTAL EXPENDITURES AND TRANSFERS	<u>67,142,149</u>	<u>87,419,820</u>	<u>83,728,801</u>	<u>90,486,591 *</u>
CHANGE IN FUND BALANCE	3,612,101	(14,033,970)	1,372,088	(10,439,622)
ESTIMATED ENDING FUND BALANCES **	<u>\$46,978,397</u>	<u>\$26,569,875</u>	<u>\$49,017,245</u>	<u>\$38,577,623</u>

Internal Service and Fixed Asset Funds are not included in this summary as they are funded by the operating funds

* Adopted Budget 2007-08 does not include a special expenditure liability reduction of \$725,600

** Undesignated and Unreserved

ADOPTED BUDGET 2007-08
COMBINED SUMMARY OF REVENUES AND EXPENDITURES
PROPOSED BUDGET

	OPERATING FUNDS						TOTAL OPERATING & CAPITAL PROJECT FUNDS
	GENERAL FUND	WATER & SEWER FUND	HOTEL/ MOTEL FUND	DEBT SERVICE	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS	
EST. BEGINNING BALANCES	<u>\$ 9,100,518</u>	<u>\$ 2,620,311</u>	<u>\$ 1,329,739</u>	<u>\$ 74,622</u>	<u>\$8,649,693</u>	<u>\$ 27,242,362</u>	<u>\$ 49,017,245</u>
REVENUES							
Ad valorem taxes	17,290,000			2,230,000			19,520,000
Non-property taxes	12,860,200		2,300,000				15,160,200
Franchise fees	4,763,000						4,763,000
Licenses & permits	757,000						757,000
Intergovernmental							-
Charges for service	4,952,500	12,996,600					17,949,100
Fines and forfeits	2,623,000						2,623,000
Interest and other	1,285,500	310,800	150,800		2,572,098	12,917,971	17,237,169
TOTAL REVENUES	<u>44,531,200</u>	<u>13,307,400</u>	<u>2,450,800</u>	<u>2,230,000</u>	<u>2,572,098</u>	<u>12,917,971</u>	<u>78,009,469</u>
TRANSFERS FROM OTHER FUNDS						2,037,500	2,037,500
TOTAL REVENUES AND TRANSFERS	<u>44,531,200</u>	<u>13,307,400</u>	<u>2,450,800</u>	<u>2,230,000</u>	<u>2,572,098</u>	<u>14,955,471</u>	<u>80,046,969</u>
TOTAL AVAILABLE RESOURCES	<u>53,631,718</u>	<u>15,927,711</u>	<u>3,780,539</u>	<u>2,304,622</u>	<u>11,221,791</u>	<u>42,197,833</u>	<u>129,064,214</u>
EXPENDITURES							
General government	11,151,500				141,143		11,292,643
Public safety	19,034,600				595,500		19,630,100
Public works	7,813,700						7,813,700
Culture and recreation	10,205,600				82,100		10,287,700
Utilities		10,270,800					10,270,800
Capital projects						25,491,848	25,491,848
Debt service			471,300	2,190,000	604,600		3,265,900
Tourism/historical preservation			1,672,000				1,672,000
TOTAL EXPENDITURES	<u>48,205,400</u>	<u>10,270,800</u>	<u>2,143,300</u>	<u>2,190,000</u>	<u>1,423,343</u>	<u>25,491,848</u>	<u>89,724,691</u>
TRANSFERS TO OTHER FUNDS	<u>(3,437,400)</u>	<u>3,890,200</u>	<u>309,100</u>				<u>761,900</u>
TOTAL EXPENDITURES AND TRANSFERS	<u>44,768,000 *</u>	<u>14,161,000</u>	<u>2,452,400</u>	<u>2,190,000</u>	<u>1,423,343</u>	<u>25,491,848</u>	<u>90,486,591 *</u>
CHANGE IN FUND BALANCE	<u>(236,800)</u>	<u>(853,600)</u>	<u>(1,600)</u>	<u>40,000</u>	<u>1,148,755</u>	<u>(10,536,377)</u>	<u>(10,439,622)</u>
EST. ENDING FUND BALANCES **	<u><u>\$ 8,863,718</u></u>	<u><u>\$ 1,766,711</u></u>	<u><u>\$ 1,328,139</u></u>	<u><u>\$ 114,622</u></u>	<u><u>\$ 9,798,448</u></u>	<u><u>\$ 16,705,985</u></u>	<u><u>\$ 38,577,623</u></u>

Internal Service and Fixed Asset Funds are not included in this summary as they are funded by the operating funds

The large drop in Capital Projects Fund Balance is due to the planned completion of street, utility and facility projects within the fiscal year.

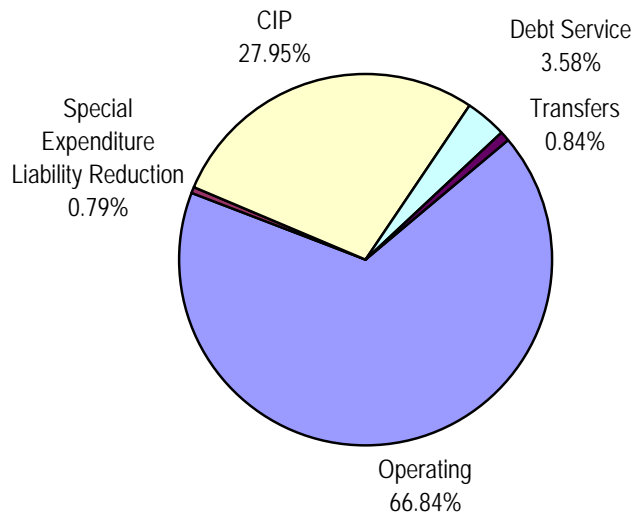
* Excludes \$725,600 special expenditure liability reduction

** Undesignated and Unreserved

COMBINED FUNDS BUDGET OVERVIEW

The total adopted budget for all funds for fiscal year 2007-08 is \$91,212,191 (including a special expenditure liability reduction of \$725,600), which represents a 14.84% increase from the previous years amended budget and a 9.74% increase from the previous years adopted budget (prior budget comparisons exclude a special expenditure transfer to CIP totaling \$4,300,000). Operating expenditures for the General Fund, Water & Sewer Fund, Hotel/Motel Fund, and Special Revenue Funds account for \$60,966,943 or 66.84% of the total budget. Capital Improvement Program expenditures total \$25,491,848 and represent 27.95% of the total budget. Expenditures for Debt Service total \$3,265,900 and represent 3.58% of the total budget. Expenditures for Transfers to Other Funds total \$761,900 and represent 0.84% of the total budget. Expenditures for a Special Expenditure Liability Reduction total \$725,600 and represent 0.80% of the total budget.

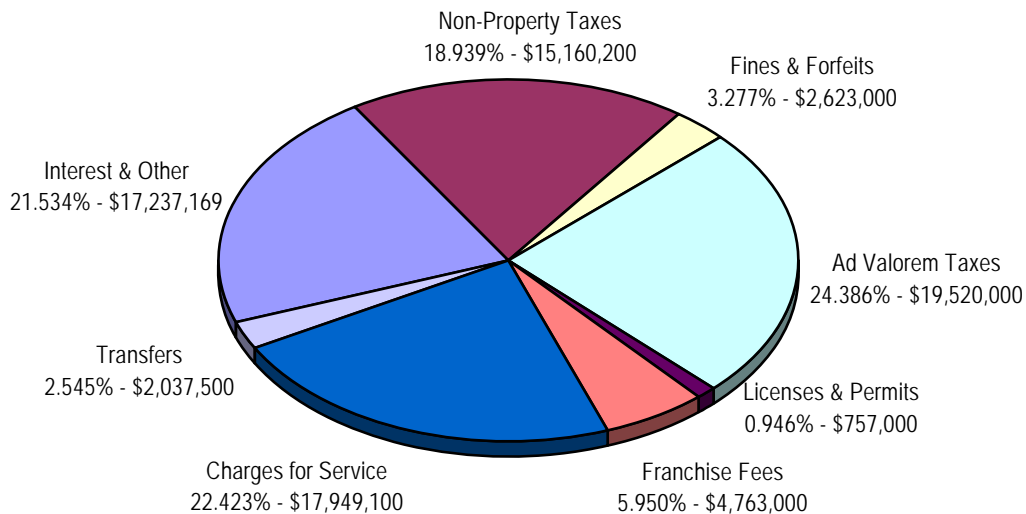
TOTAL ADOPTED BUDGET



The following graphs illustrate the revenue and expenditure distributions from all funds combined for the total adopted budget.

REVENUE DISTRIBUTION

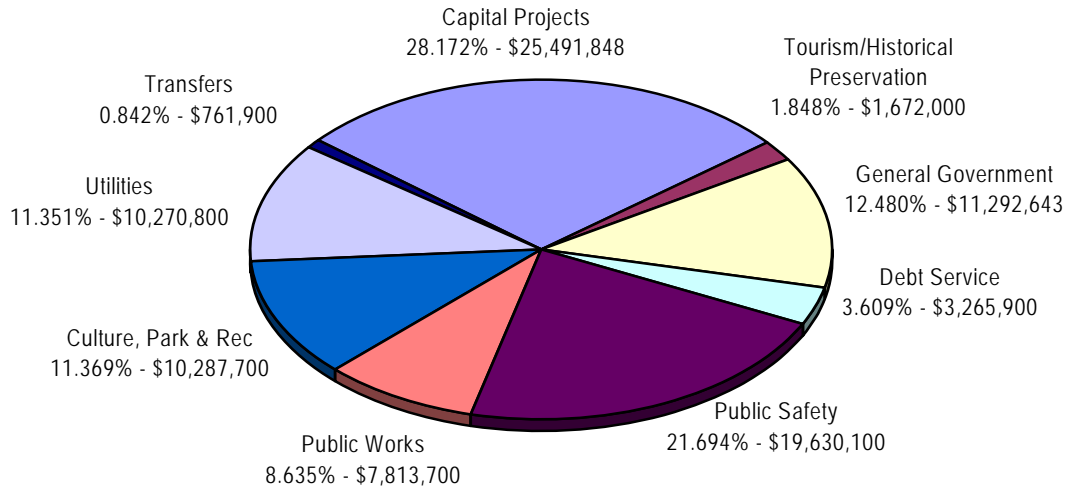
All Funds
\$80,046,969



EXPENDITURE DISTRIBUTION

All Funds

\$90,486,591



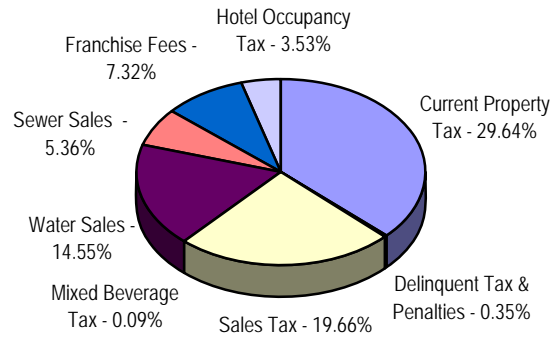
Note: Expenditures do not include a special expenditure liability reduction of \$725,600.

MAJOR REVENUE SOURCES

The revenue sources described in this section account for approximately \$52.4 million or 80.5% of the City's operating revenues (excludes bond proceeds, capital projects and interfund transfers/charges).

Property (Ad Valorem) Taxes

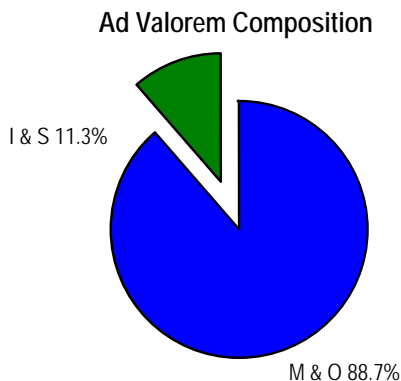
Values: The City of Farmers Branch contracts with the Dallas Central Appraisal District (DCAD) to appraise property values within the City. DCAD is required by state law to repeat the appraisal process for property at least once every three years. DCAD's policy is to appraise approximately one-third business personal property, commercial real property and residential real property each year. Residential and commercial real property includes land and buildings. Business personal property is defined by the tax code as any business property that is not real property. This type of property could include furniture, computer systems, vehicles, etc. Properties are appraised as of January 1 each year. This appraised value is used as the basis for tax billing the following October 1.



To save time and money, the appraisal district uses mass appraisal to appraise large numbers of properties. In a mass appraisal, the appraisal district first collects detailed descriptions of each taxable property in the district. It then classifies properties according to a variety of factors, such as size, use, and construction type. Using data from recent property sales, the district appraises the value of typical properties in each class. Taking into account differences such as age or location, the district uses the typical property values to appraise all properties in the class.

DCAD contracts with the University of Texas at Dallas to conduct a residential appraisal study. This study compares market value (sales) data to appraised value by neighborhood using a statistical model to determine value in neighborhoods that did not have a recent sale. The resulting property values are then adjusted based on a conditions index that is determined by DCAD during neighborhood inspection. Improvements to a home such as a new roof or a kitchen remodel may effect the overall conditions index. New construction such as a pool or a home addition would immediately effect the appraised value of a home whether or not the home is in an area targeted for appraisal.

Tax Rate & Revenues: The City's tax rate consists of two components: Maintenance & Operations and Interest & Sinking. The Maintenance & Operations part of the tax rate funds general fund operations and is shown in the General Fund budget as property tax revenue. The Interest & Sinking part of the tax rate funds debt service on General Obligation or Certificates of Obligation Bonds. These bonds are backed by the City's property tax base. The



property tax revenue from the debt service part of the tax rate is shown in the debt service budget as property tax revenue. The combined total of property tax revenues in the General and Debt Service Funds is called the City's tax levy.

The City's 2007-2008 tax rate of \$0.4945 per \$100 property value allocates 88.7% (\$0.438576) of property tax revenues to the General Fund and 11.3% (\$0.055924) to the Debt Service Fund for general obligation long-term debt. Any reduction to the tax rate must be from the General Fund, as the debt service rate cannot be reduced below a level necessary to fund the

City's annual debt service. The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to

\$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt.

Property (ad valorem) taxes attach as an enforceable lien on property as of each January 1. The City's property tax is billed each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the City. Assessed values are established by the Dallas Central Appraisal District at 100% of the estimated market value and certified by the Appraisal Review Board. The assessed taxable value for the roll of January 1, 2007, upon which the fiscal 2008 levy is based, is \$3,819,397,977. This amount is net of \$1,065,362,943 (representing 27.9% of taxable value) of agricultural, homestead, over-65, disabled veteran, and tax abatement exemptions. The 2007 tax roll (2007-2008 fiscal year) is 8.95% more than the 2006 certified roll. Economic growth and new construction activity are improving and expected to grow at a moderate level.

Taxes are due January 31 following the October 1 billing date and are considered delinquent after January 31 of each year. Based upon historical collection trends, current tax collections for the year ending September 30, 2008 are estimated to be approximately 99% of levy when including the minimum value for protested accounts and will generate \$19,290,000 in total revenues. Delinquent taxes and penalties are expected to produce an additional \$230,000.

The City offers a 20% homestead exemption (but not less than \$5,000) and \$60,000 exemption for disabled and senior citizen homesteads.

Sales Tax

The sales tax in Farmers Branch is 8.25% of goods or services sold within the City's boundaries. The tax is collected by businesses making the sale and is remitted to the State Comptroller of Public Accounts on a monthly, and in some cases, quarterly basis. Of the 8.25% tax, the State retains 6.25% and distributes 1.0% to the City of Farmers Branch and 1.0% to the Dallas Area Rapid Transit (DART) mass transportation authority. The State Comptroller's office distributes tax proceeds to local entities within 40 days following the period for which the tax is collected by the businesses.

For the year ending September 30, 2008, the City expects to receive \$12,800,000 in sales and use tax revenue. This amount represents a 2.81% increase over the previous years amended budget. Sales tax revenue is expected to grow slightly faster than the area CPI rate over the next two years.

Another sales tax levied by the State is the mixed drink tax, which is applied against all mixed drinks and package liquor sold in the City. The tax is 14% of the sales price and, like the general sales tax, is collected by the State. The City's share of the dollar revenues generated by the tax is 10.7%, which is expected to produce \$60,000 for the 2008 fiscal year.

Utility Fees

The City of Farmers Branch charges fees for the provision of water and sewer services to residents and businesses located within the City. The City utilizes a comprehensive utility rate structure that is based upon charging minimum bills for customers, dependent upon meter size, with escalating tiered volume charges depending upon the demand each customer places upon the utility system. This structure allows the fund to equitably recover a greater portion of its fixed expenses through a relatively constant revenue stream.

Under these rates, each customer pays a minimum monthly bill depending upon their meter size. For example, a customer with a 3/4 inch standard size meter will pay \$10.44, which includes 2,000 gallons. At the other end of the scale, a customer with an 8 inch meter pays a minimum bill of \$302.79, which also includes 2,000 gallons. Water in excess of 2,000 gallons is billed at \$2.83 per 1,000 gallons up to 10,000 gallons; \$3.19 per 1,000 gallons from 10,001-20,000 gallons; and \$3.31 per 1,000 gallons over 20,001 gallons consumption. Sewer charges are dependent upon the volume of water consumed and are structured similar to the water rates. The exception to this rule is residential customers who cease paying sewer fees once water consumption exceeds 10,000 gallons. The combined monthly water and sewer bill for an average residential customer (10,000 gallons consumption) is \$55.83.

For the 2007-2008 budget year, the City's Water & Sewer Fund anticipates receiving \$9,461,200 from the sale of water and \$3,490,400 from sewer fees. These revenues represent no change from the previous years amended budget with the

expectation that consumption levels will remain stable. Water consumption increased 24% during 2005-06 due to prevailing drought conditions. Sales of 3.2 billion gallons occurred during the year. The 2006-07 budget assumed a return to average annual sales of 2.8 billion gallons – a 12.5% decline. Due to rainy conditions during the year, actual sales are expected to be 2.5 billion gallons – a 22% decline. This differential, from a “dry” year to a “wet” year, is one reason why the City maintains fund balances in order to minimize the need to constantly lower and raise water rates due to weather fluctuations. The 2007-08 budget assumes a return to average annual sales of 2.8 billion gallons. Utility rates are anticipated to increase at the same rate as cost increases for water and wastewater treatment during the next few years.

Franchise Fees

The City of Farmers Branch maintains franchise agreements with utilities that use the City’s roadway right-of-ways to conduct their business. Besides defining the responsibilities of the utilities in maintaining their assets, the agreements contain a franchise fee clause that requires the utilities to compensate the City for the use of the right-of-ways. Generally, the fees are based upon a percentage of a utility’s gross receipts (generated by customers located within the City’s corporate limits), which range from 4% to 5%. The franchise agreement with Southwestern Bell Telephone established a different method for calculating the franchise fee. Under the agreement, the City receives a base annual fee in quarterly payments with a growth factor for subsequent years.

Revenues from the natural gas, electric power, telephone, cable television, and commercial garbage franchises are anticipated to total \$4,763,000 in the 2007-2008 fiscal year, which represents a 6.72% increase from the previous years amended budget. Total franchise fees are expected to remain stable for the next two to three years.

Hotel/Motel Occupancy Tax

The occupancy tax is levied by both the City and the State on a hotel or motels gross occupancy receipts. The City’s portion is collected on a monthly basis. The City’s tax is 7% and is levied with the State’s 6% rate. Revenue generated by the tax is restricted by State law to directly enhance and promote the tourist, convention, and hotel industry. For the year ending September 30, 2008, the City expects to receive \$2,300,000 in occupancy tax receipts. This represents no change from the previous years amended budget. The City has twelve hotels. Hotel occupancy receipts are expected to remain stable over the next few years.

BUDGET FACT SHEET COMMONLY ASKED QUESTIONS

ADOPTED BUDGET 2007-08

	Adopted Fiscal Year Budget 2007-08	Adopted Fiscal Year Budget 2006-07
<u>Budgeted Expenditures</u>		
Total Budget	\$ 91,212,191	\$ 87,419,820
Operating Budget (includes transfers)	\$ 65,720,343	\$ 70,478,422
Capital Budget	\$ 25,491,848	\$ 16,941,398

Property Taxes

Total Residential Taxable Value	\$ 856,718,458		\$ 825,654,877
Total Commercial Real Taxable Value	\$ 2,003,583,782		\$ 1,768,393,314
Total Business Personal Property Taxable Value	\$ 959,095,737		\$ 911,607,279
Total Taxable Value *	\$ 3,819,397,977		\$ 3,505,655,470
Total Exemptions Value **	\$ 1,065,362,943		\$ 888,880,310
Total Abatement Value **	\$ 371,566,057		\$ 245,881,966
Tax Rate (per \$100 assessed value)	\$ 0.4945		\$ 0.4945
Average Home Value	\$ 148,124		\$ 143,936
Property Tax Homestead Exemption	\$ 5,000	or 20% whichever is greater	\$ 5,000 or 20% whichever is greater
Property Tax Over-65 / Disabled Exemption	\$ 60,000		\$ 60,000

Authorized Positions

	Adopted Fiscal Year Budget 2007-08		Amended Budget 2006-07	
	Budget	Full-Time Equivalents (FTE) ⁽¹⁾	Budget	Full-Time Equivalents (FTE) ⁽¹⁾
Full-Time	439.00	439.00	428.00	428.00
Part-Time	138.00		137.00	
Full-Time Equivalent		52.48		52.24
	577.00	491.48	565.00	480.24

* Excludes Values in Protest

** Based on revised tax documents.

⁽¹⁾ Full-time equivalents is calculated by totaling part-time budgeted hours and dividing the total by the average annual hours worked by full-time employees (2,080).

GENERAL FUND REVENUE SUMMARY

	ACTUAL 2005-06	ADOPTED BUDGET 2006-07	YEAR-END AMENDED BUDGET 2006-07	ADOPTED BUDGET 2007-08	PERCENT OF BUDGET
<u>TAXES</u>					
PROPERTY - CURRENT	\$13,182,952	\$14,220,000	\$14,220,000	\$17,100,000	38.40%
PROPERTY - PRIOR YEAR	114,225	75,000	75,000	75,000	0.17%
SALES & USE TAXES	11,240,717	12,450,000	12,450,000	12,800,000	28.74%
MIXED BEVERAGE	55,000	60,000	60,000	60,000	0.13%
BINGO	0	200	200	200	0.00%
FRANCHISE FEES	5,791,637	4,548,000	4,463,000	4,763,000	10.70%
PENALTIES & INTEREST	109,480	115,000	115,000	115,000	0.26%
SUB-TOTAL	<u>\$30,494,011</u>	<u>\$31,468,200</u>	<u>\$31,383,200</u>	<u>\$34,913,200</u>	<u>78.40%</u>
<u>LICENSES & PERMITS</u>					
HEALTH	\$24,650	\$25,000	\$25,000	\$25,000	0.06%
BUILDING	652,604	578,000	578,000	513,000	1.15%
PLUMBING	72,296	62,000	62,000	62,000	0.14%
ELECTRICAL	79,858	74,000	74,000	82,000	0.18%
HVAC	47,079	41,000	41,000	43,000	0.10%
MULTI-FAMILY INSPECTION	24,545	32,000	32,000	32,000	0.07%
SUB-TOTAL	<u>\$901,032</u>	<u>\$812,000</u>	<u>\$812,000</u>	<u>\$757,000</u>	<u>1.70%</u>
<u>CHARGES FOR SERVICES</u>					
ZONING	\$17,011	\$18,500	\$18,500	\$20,500	0.05%
PRINTING & DUPLICATING	23,587	17,500	17,500	18,500	0.04%
POLICE SERVICES	103,211	106,000	106,000	105,000	0.24%
AMBULANCE & 911 SERVICES	1,092,141	1,155,000	1,155,000	1,155,000	2.59%
REFUSE SERVICES	2,567,692	2,850,000	2,800,000	2,800,000	6.29%
HEALTH & INSPECTION FEE	17,726	30,000	30,000	22,000	0.05%
ANIMAL CONTROL & SHELTER	5,275	3,000	3,000	18,200	0.04%
SWIMMING POOL FEES	45,069	40,000	40,000	40,000	0.09%
SENIOR CENTER FEES	34,168	30,000	53,000	53,000	0.12%
PARKS & REC CONCESSIONS	166,656	155,000	155,000	155,000	0.35%
BUILDING USE FEES	481,095	565,300	565,300	565,300	1.27%
SUB-TOTAL	<u>\$4,553,631</u>	<u>\$4,970,300</u>	<u>\$4,943,300</u>	<u>\$4,952,500</u>	<u>11.12%</u>
<u>FINES, FORFEITS & ASSESSMENTS</u>					
COURT	\$2,443,974	\$3,802,000	\$2,987,000	\$2,541,000	5.71%
LIBRARY	76,147	82,000	82,000	82,000	0.18%
SUB-TOTAL	<u>\$2,520,121</u>	<u>\$3,884,000</u>	<u>\$3,069,000</u>	<u>\$2,623,000</u>	<u>5.89%</u>
<u>INTEREST/RENTS/CONTRIBUTIONS</u>					
INTEREST	\$622,655	\$650,000	\$710,000	\$800,000	1.80%
RENTS	292,040	278,000	278,000	326,000	0.73%
SUB-TOTAL	<u>\$914,695</u>	<u>\$928,000</u>	<u>\$988,000</u>	<u>\$1,126,000</u>	<u>2.53%</u>

GENERAL FUND REVENUE SUMMARY

	ACTUAL 2005-06	ADOPTED BUDGET 2006-07	YEAR-END AMENDED BUDGET 2006-07	ADOPTED BUDGET 2007-08	PERCENT OF BUDGET
<u>MISCELLANEOUS</u>					
MISCELLANEOUS	\$110,390	\$118,000	\$118,000	\$118,000	0.26%
RECYCLING	15,277	20,000	20,000	20,000	0.04%
INSURANCE RECOVERY	45,001	21,500	80,200	21,500	0.05%
SUB-TOTAL	<u>\$170,668</u>	<u>\$159,500</u>	<u>\$218,200</u>	<u>\$159,500</u>	<u>0.36%</u>
GRAND TOTAL	<u><u>\$39,554,158</u></u>	<u><u>\$42,222,000</u></u>	<u><u>\$41,413,700</u></u>	<u><u>\$44,531,200</u></u>	<u><u>100.00%</u></u>

**GENERAL FUND
EXPENDITURE SUMMARY**
Summarized by Department

	ACTUAL 2005-06	ADOPTED BUDGET 2006-07	YEAR-END AMENDED BUDGET 2006-07	ADOPTED BUDGET 2007-08	PERCENT OF BUDGET
<u>GENERAL GOVERNMENT</u>					
GENERAL GOVERNMENT	\$101,477	\$120,200	\$127,200	\$111,200	0.24%
GENERAL CONTRACTS	181,000	191,000	191,000	192,000	0.42%
LEGAL	324,961	326,400	770,400	770,400	1.69%
NON-DEPARTMENTAL	(2,103,972)	(428,500)	(2,630,100)	(1,121,400)	-2.46%
SUB-TOTAL	<u>(\$1,496,534)</u>	<u>\$209,100</u>	<u>(\$1,541,500)</u>	<u>(\$47,800)</u>	<u>-0.11%</u>
<u>GENERAL ADMINISTRATION</u>					
GENERAL ADMINISTRATION	\$935,568	\$959,400	\$1,041,100	\$992,100	2.18%
SUB-TOTAL	<u>\$935,568</u>	<u>\$959,400</u>	<u>\$1,041,100</u>	<u>\$992,100</u>	<u>2.18%</u>
<u>COMMUNICATIONS</u>					
COMMUNICATIONS	\$393,725	\$450,900	\$457,400	\$462,900	1.02%
SUB-TOTAL	<u>\$393,725</u>	<u>\$450,900</u>	<u>\$457,400</u>	<u>\$462,900</u>	<u>1.02%</u>
<u>ECONOMIC DEVELOPMENT</u>					
ECONOMIC DEVELOPMENT	\$300,813	\$336,600	\$390,100	\$417,000	0.92%
SUB-TOTAL	<u>\$300,813</u>	<u>\$336,600</u>	<u>\$390,100</u>	<u>\$417,000</u>	<u>0.92%</u>
<u>HUMAN RESOURCES</u>					
HUMAN RESOURCES	\$701,161	\$759,700	\$804,300	\$801,300	1.76%
SUB-TOTAL	<u>\$701,161</u>	<u>\$759,700</u>	<u>\$804,300</u>	<u>\$801,300</u>	<u>1.76%</u>
<u>FINANCE</u>					
FINANCE ADMINISTRATION	\$599,541	\$601,200	\$609,700	\$599,000	1.32%
INFORMATION SERVICES	1,077,329	1,246,200	1,180,400	1,207,400	2.65%
ACCOUNTING	455,338	469,700	477,700	491,400	1.08%
PURCHASING	138,670	143,000	146,300	152,400	0.33%
MUNICIPAL COURT	513,142	558,200	549,200	585,000	1.29%
SUB-TOTAL	<u>\$2,784,020</u>	<u>\$3,018,300</u>	<u>\$2,963,300</u>	<u>\$3,035,200</u>	<u>6.67%</u>
<u>COMMUNITY SERVICES</u>					
COMMUNITY SERVICES ADMIN.	\$743,097	\$776,400	\$757,100	\$772,000	1.70%
BUILDING INSPECTION	828,281	954,600	962,100	1,085,700	2.39%
ENVIRONMENTAL HEALTH	670,669	769,800	751,100	783,800	1.72%
SUB-TOTAL	<u>\$2,242,047</u>	<u>\$2,500,800</u>	<u>\$2,470,300</u>	<u>\$2,641,500</u>	<u>5.81%</u>
<u>ENGINEERING</u>					
ENGINEERING	\$1,262,541	\$1,283,900	\$1,358,000	\$1,412,800	3.11%
TRAFFIC ENGINEERING	851,079	953,900	989,900	1,031,800	2.27%
SUB-TOTAL	<u>\$2,113,620</u>	<u>\$2,237,800</u>	<u>\$2,347,900</u>	<u>\$2,444,600</u>	<u>5.37%</u>

**GENERAL FUND
EXPENDITURE SUMMARY**
Summarized by Department

	ACTUAL 2005-06	ADOPTED BUDGET 2006-07	YEAR-END AMENDED BUDGET 2006-07	ADOPTED BUDGET 2007-08	PERCENT OF BUDGET
<u>PUBLIC WORKS</u>					
PUBLIC WORKS ADMIN.	\$381,019	\$395,200	\$402,800	\$428,900	0.94%
SOLID WASTE COLLECTION	1,525,568	2,015,500	2,044,000	2,174,300	4.78%
STREET MAINTENANCE	2,603,462	2,832,000	2,878,400	2,840,900	6.24%
SUB-TOTAL	<u>\$4,510,049</u>	<u>\$5,242,700</u>	<u>\$5,325,200</u>	<u>\$5,444,100</u>	<u>11.97%</u>
<u>POLICE</u>					
POLICE ADMINISTRATION	\$455,263	\$463,000	\$465,500	\$482,000	1.06%
POLICE INVESTIGATIONS	1,258,808	1,339,600	1,342,900	1,504,700	3.31%
POLICE PATROL	5,515,815	6,170,000	6,472,000	6,486,800	14.26%
POLICE COMMUNICATIONS	1,637,446	1,869,900	1,811,200	1,893,100	4.16%
SUB-TOTAL	<u>\$8,867,332</u>	<u>\$9,842,500</u>	<u>\$10,091,600</u>	<u>\$10,366,600</u>	<u>22.79%</u>
<u>FIRE</u>					
FIRE ADMINISTRATION	\$663,770	\$685,800	\$730,300	\$874,500	1.92%
FIRE PREVENTION	383,658	455,400	462,500	437,500	0.96%
FIRE OPERATIONS	5,593,374	5,882,000	5,960,100	7,356,000	16.17%
SUB-TOTAL	<u>\$6,640,802</u>	<u>\$7,023,200</u>	<u>\$7,152,900</u>	<u>\$8,668,000</u>	<u>19.05%</u>
<u>PARKS & RECREATION</u>					
PARKS & RECREATION ADMIN.	\$513,017	\$528,100	\$531,300	\$564,500	1.24%
BUILDING MAINTENANCE	982,032	1,043,300	1,071,300	1,057,300	2.32%
PARK MAINTENANCE	3,981,639	3,937,000	3,950,000	4,150,800	9.12%
RECREATION	1,506,026	1,698,900	1,665,700	1,673,000	3.68%
SWIMMING POOL	173,529	195,500	211,100	208,200	0.46%
SENIOR CENTER	478,829	578,100	605,700	534,600	1.18%
PARK BOARD	5,672	10,600	10,600	10,600	0.02%
SENIOR ADVISORY BOARD	3,915	9,400	9,400	9,400	0.02%
CHRISTMAS	136,288	150,900	151,800	149,600	0.33%
SUB-TOTAL	<u>\$7,780,947</u>	<u>\$8,151,800</u>	<u>\$8,206,900</u>	<u>\$8,358,000</u>	<u>18.37%</u>
<u>LIBRARY</u>					
LIBRARY	<u>\$1,694,040</u>	<u>\$1,788,300</u>	<u>\$1,840,400</u>	<u>\$1,910,100</u>	<u>4.20%</u>
SUB-TOTAL	<u>\$1,694,040</u>	<u>\$1,788,300</u>	<u>\$1,840,400</u>	<u>\$1,910,100</u>	<u>4.20%</u>
TOTAL OPERATING	<u><u>\$37,467,590</u></u>	<u><u>\$42,521,100</u></u>	<u><u>\$41,549,900</u></u>	<u><u>\$45,493,600</u></u>	<u><u>100.00%</u></u>
<u>SPECIAL EXPENDITURES</u>					
TRANSFER TO CIP	<u>\$0</u>	<u>\$4,300,000</u>	<u>\$4,300,000</u>	<u>\$0</u>	<u>0.00%</u>
SUB-TOTAL	<u>\$0</u>	<u>\$4,300,000</u>	<u>\$4,300,000</u>	<u>\$0</u>	<u>0.00%</u>
GRAND TOTAL	<u><u>\$37,467,590</u></u>	<u><u>\$46,821,100</u></u>	<u><u>\$45,849,900</u></u>	<u><u>\$45,493,600</u></u>	<u><u>100.00%</u></u>

**GENERAL FUND
EXPENDITURE SUMMARY**
Summarized by Function

	ACTUAL 2005-06	ADOPTED BUDGET 2006-07	YEAR-END AMENDED BUDGET 2006-07	ADOPTED BUDGET 2007-08
<u>GENERAL GOVERNMENT</u>				
GENERAL GOVERNMENT	\$101,477	\$120,200	\$127,200	\$111,200
GENERAL CONTRACTS	181,000	191,000	191,000	192,000
LEGAL	324,961	326,400	770,400	770,400
NON-DEPARTMENTAL	(2,103,972)	(428,500)	(2,630,100)	(1,121,400)
GENERAL ADMINISTRATION	935,568	959,400	1,041,100	992,100
COMMUNICATIONS	393,725	450,900	457,400	462,900
ECONOMIC DEVELOPMENT	300,813	336,600	390,100	417,000
HUMAN RESOURCES	701,161	759,700	804,300	801,300
FINANCE ADMINISTRATION	599,541	601,200	609,700	599,000
INFORMATION SERVICES	1,077,329	1,246,200	1,180,400	1,207,400
ACCOUNTING	455,338	469,700	477,700	491,400
PURCHASING	138,670	143,000	146,300	152,400
MUNICIPAL COURT	513,142	558,200	549,200	585,000
COMMUNITY SERVICES ADMIN.	743,097	776,400	757,100	772,000
BUILDING INSPECTION	828,281	954,600	962,100	1,085,700
ENVIRONMENTAL HEALTH	670,669	769,800	751,100	783,800
TOTAL GENERAL GOV'T	<u>\$5,860,800</u>	<u>\$8,234,800</u>	<u>\$6,585,000</u>	<u>\$8,302,200</u>
<u>PUBLIC WORKS</u>				
ENGINEERING	\$1,262,541	\$1,283,900	\$1,358,000	\$1,412,800
TRAFFIC ENGINEERING	851,079	953,900	989,900	1,031,800
PUBLIC WORKS ADMIN.	381,019	395,200	402,800	428,900
SOLID WASTE COLLECTION	1,525,568	2,015,500	2,044,000	2,174,300
STREET MAINTENANCE	2,603,462	2,832,000	2,878,400	2,840,900
TOTAL PUBLIC WORKS	<u>\$6,623,669</u>	<u>\$7,480,500</u>	<u>\$7,673,100</u>	<u>\$7,888,700</u>
<u>PUBLIC SAFETY</u>				
POLICE ADMINISTRATION	\$455,263	\$463,000	\$465,500	\$482,000
POLICE INVESTIGATIONS	1,258,808	1,339,600	1,342,900	1,504,700
POLICE PATROL	5,515,815	6,170,000	6,472,000	6,486,800
POLICE COMMUNICATIONS	1,637,446	1,869,900	1,811,200	1,893,100
FIRE ADMINISTRATION	663,770	685,800	730,300	874,500
FIRE PREVENTION	383,658	455,400	462,500	437,500
FIRE OPERATIONS	5,593,374	5,882,000	5,960,100	7,356,000
TOTAL PUBLIC SAFETY	<u>\$15,508,134</u>	<u>\$16,865,700</u>	<u>\$17,244,500</u>	<u>\$19,034,600</u>

**GENERAL FUND
EXPENDITURE SUMMARY**
Summarized by Function

	ACTUAL 2005-06	ADOPTED BUDGET 2006-07	YEAR-END AMENDED BUDGET 2006-07	ADOPTED BUDGET 2007-08
<u>CULTURE & PARKS</u>				
PARKS & RECREATION ADMIN.	\$513,017	\$528,100	\$531,300	\$564,500
BUILDING MAINTENANCE	982,032	1,043,300	1,071,300	1,057,300
PARK MAINTENANCE	3,981,639	3,937,000	3,950,000	4,150,800
RECREATION	1,506,026	1,698,900	1,665,700	1,673,000
SWIMMING POOL	173,529	195,500	211,100	208,200
SENIOR CENTER	478,829	578,100	605,700	534,600
PARK BOARD	5,672	10,600	10,600	10,600
SENIOR ADVISORY BOARD	3,915	9,400	9,400	9,400
CHRISTMAS	136,288	150,900	151,800	149,600
LIBRARY	1,694,040	1,788,300	1,840,400	1,910,100
TOTAL CULTURE & PARKS	<u>\$9,474,987</u>	<u>\$9,940,100</u>	<u>\$10,047,300</u>	<u>\$10,268,100</u>
 TOTAL OPERATING	 <u><u>\$37,467,590</u></u>	 <u><u>\$42,521,100</u></u>	 <u><u>\$41,549,900</u></u>	 <u><u>\$45,493,600</u></u>
<u>SPECIAL EXPENDITURES</u>				
TRANSFER TO CIP	<u>\$0</u>	<u>\$4,300,000</u>	<u>\$4,300,000</u>	<u>\$0</u>
TOTAL SPECIAL EXPEND.	<u>\$0</u>	<u>\$4,300,000</u>	<u>\$4,300,000</u>	<u>\$0</u>
 GRAND TOTAL	 <u><u>\$37,467,590</u></u>	 <u><u>\$46,821,100</u></u>	 <u><u>\$45,849,900</u></u>	 <u><u>\$45,493,600</u></u>

**GENERAL FUND
EXPENDITURE SUMMARY**
Summarized by Type of Expenditure

EXPENDITURES BY TYPE	ACTUAL		ADOPTED BUDGET		YEAR-END AMENDED BUDGET		ADOPTED BUDGET	
	2005-06		2006-07		2006-07		2007-08	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Personal Services/Benefits								
Full-Time	\$ 20,476,778	54.65%	\$ 21,935,400	51.59%	\$ 21,681,200	52.18%	\$ 23,659,000	52.01%
Part-Time	1,125,565	3.00%	1,263,900	2.97%	1,214,600	2.92%	1,265,900	2.78%
Overtime	943,264	2.52%	901,500	2.12%	1,118,100	2.69%	937,300	2.06%
Life & Health	2,261,060	6.03%	2,356,600	5.54%	2,449,100	5.89%	2,780,600	6.11%
TMRS	3,149,203	8.41%	3,381,800	7.95%	3,413,400	8.22%	3,787,900	8.33%
Medicare	262,388	0.70%	280,600	0.66%	283,400	0.68%	306,400	0.67%
Workers' Compensation	410,900	1.10%	410,900	0.97%	410,900	0.99%	410,900	0.90%
Car Allowance	93,800	0.25%	99,200	0.23%	94,000	0.23%	98,400	0.22%
<i>Subtotal</i>	<u>\$ 28,722,958</u>	<u>76.66%</u>	<u>\$ 30,629,900</u>	<u>72.03%</u>	<u>\$30,664,700</u>	<u>73.80%</u>	<u>\$ 33,246,400</u>	<u>73.08%</u>
Purchased Prof & Tech Services	\$ 610,804	1.63%	\$ 624,000	1.47%	\$ 1,067,000	2.57%	\$ 1,079,400	2.37%
Supplies	1,626,314	4.34%	1,939,500	4.56%	2,019,000	4.86%	1,970,200	4.33%
Repairs & Maintenance	3,425,601	9.14%	3,743,800	8.80%	3,894,600	9.37%	3,921,700	8.62%
Services	3,200,830	8.54%	3,590,500	8.44%	3,851,600	9.27%	3,696,000	8.12%
Production & Disposal	249,140	0.66%	282,800	0.67%	282,800	0.68%	282,800	0.62%
Contracts	181,000	0.48%	191,000	0.45%	191,000	0.46%	192,000	0.42%
Christmas Activities	114,915	0.31%	121,300	0.29%	121,300	0.29%	118,200	0.26%
Other Objects	500,149	1.33%	2,029,500	4.77%	538,500	1.30%	1,002,300	2.20%
Special Incentive	0	0.00%	0	0.00%	289,400	0.70%	725,600	1.59%
Transfers	(1,164,121)	-3.11%	(631,200)	-1.48%	(1,370,000)	-3.30%	(741,000)	-1.63%
<i>Total Appropriations</i>	<u>\$ 37,467,590</u>	<u>100.00%</u>	<u>\$ 42,521,100</u>	<u>100.00%</u>	<u>\$ 41,549,900</u>	<u>100.00%</u>	<u>\$ 45,493,600</u>	<u>100.00%</u>



**FARMERS
BRANCH**

GENERAL GOVERNMENT

General Government consists of four divisions: General Government, General Contracts, Legal, and Non-Departmental.

General Government is used to account for expenses associated with the City Council. General Contracts is used to account for services provided to citizens by City Council approved non-profit organizations. Legal is used to account for expenses associated with the City's contracted legal counsel. Non-Departmental accounts for expenses and interfund transfers not directly associated with any other General Fund Department or Division.

GENERAL GOVERNMENT SUMMARY	YEAR-END AMENDED BUDGET 2005-06	ACTUAL 2005-06	ADOPTED BUDGET 2006-07	YEAR-END AMENDED BUDGET 2006-07	ADOPTED BUDGET 2007-08	% CHANGE FROM AMENDED BUDGET
<i>Supplies</i>	\$22,800	\$17,686	\$16,800	\$16,800	\$16,800	0.00%
<i>Purchased Prof & Tech Services</i>	305,000	324,961	326,400	770,400	770,400	0.00%
<i>Services</i>	106,700	83,791	103,400	110,400	94,400	-14.49%
<i>Contracts</i>	181,000	181,000	191,000	191,000	192,000	0.52%
<i>Other Objects</i>	779,000	500,149	2,029,500	538,500	1,002,300	86.13%
<i>Special Incentive</i>	0	0	0	289,400	725,600	150.73%
<i>Transfers</i>	(2,533,300)	(2,604,121)	(2,458,000)	(3,458,000)	(2,849,300)	-17.60%
Total Department Budget	<u>(\$1,138,800)</u>	<u>(\$1,496,534)</u>	<u>\$209,100</u>	<u>(\$1,541,500)</u>	<u>(\$47,800)</u>	<u>-96.90%</u>

SUMMARY BUDGET CATEGORIES

	YEAR-END AMENDED BUDGET 2005-06	ACTUAL 2005-06	ADOPTED BUDGET 2006-07	YEAR-END AMENDED BUDGET 2006-07	ADOPTED BUDGET 2007-08
GENERAL GOVERNMENT					
<i>Supplies</i>	\$22,800	\$17,686	\$16,800	\$16,800	\$16,800
<i>Services</i>	106,700	83,791	103,400	110,400	94,400
Total Budget	<u>\$129,500</u>	<u>\$101,477</u>	<u>\$120,200</u>	<u>\$127,200</u>	<u>\$111,200</u>
GENERAL CONTRACTS					
<i>Contracts</i>	<u>\$181,000</u>	<u>\$181,000</u>	<u>\$191,000</u>	<u>\$191,000</u>	<u>\$192,000</u>
Total Budget	<u>\$181,000</u>	<u>\$181,000</u>	<u>\$191,000</u>	<u>\$191,000</u>	<u>\$192,000</u>
LEGAL					
<i>Services</i>	<u>\$305,000</u>	<u>\$324,961</u>	<u>\$326,400</u>	<u>\$770,400</u>	<u>\$770,400</u>
Total Budget	<u>\$305,000</u>	<u>\$324,961</u>	<u>\$326,400</u>	<u>\$770,400</u>	<u>\$770,400</u>
Note: Approximately \$100,000 of legal services is for prosecutor costs.					
NON-DEPARTMENTAL					
<i>Other Objects</i>	\$779,000	\$500,149	\$2,029,500	\$538,500	\$1,002,300
<i>Special Incentive</i>	0	0	0	289,400	725,600
<i>Transfers</i>	(2,533,300)	(2,604,121)	(2,458,000)	(3,458,000)	(2,849,300)
Total Budget	<u>(\$1,754,300)</u>	<u>(\$2,103,972)</u>	<u>(\$428,500)</u>	<u>(\$2,630,100)</u>	<u>(\$1,121,400)</u>










**FARMERS
BRANCH**

GENERAL ADMINISTRATION

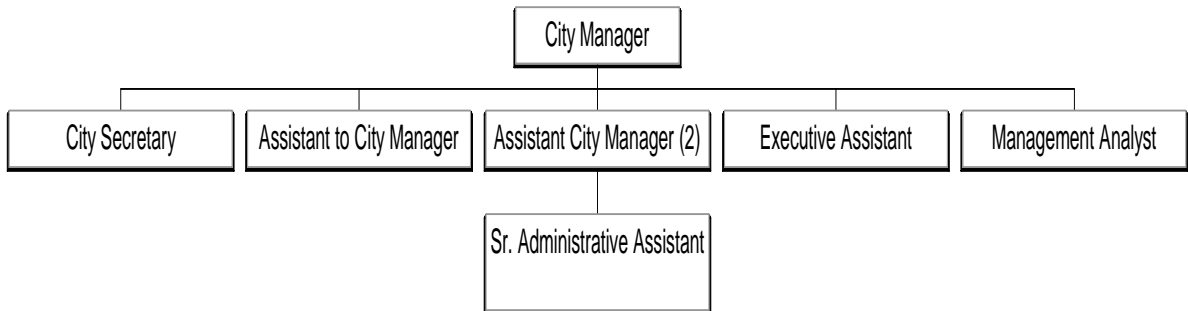
The General Administration Department is the Office of the City Manager and includes the Communications Division and the Economic Development & Tourism Office. The Office of the City Manager is responsible to the City Council for the proper administration of all affairs of the City under its jurisdiction and must keep the City Council informed.

The Office of the City Manager develops and implements, directly or through various departments, programs of the City. The office is also responsible for numerous community and intergovernmental relations activities as well as special programs such as records management, legislative affairs, redevelopment, and franchise administration. The Branch Crossing, light rail station area development and Tax Increment Financing (TIF) programs are directly administered from the Office of the City Manager.

2007-08 OBJECTIVES

1. Fulfill policy directives by achieving goals determined by the City Council. 
2. Develop pertinent performance measures to evaluate the performance of each department. 
3. Develop a plan for the construction of a new Service Center. 
4. Begin the process to convert all ordinances and resolutions to a searchable electronic format. 
5. Conduct an organizational study and evaluate if change could increase efficiency and effectiveness of City services. 
6. Manage litigation in the most efficient and effective manner possible. 
7. Ensure that the capital budget includes funding for land purchases for beautification projects. 

Administration










GENERAL ADMINISTRATION SUMMARY	YEAR-END AMENDED		ADOPTED	YEAR-END		% CHANGE
	BUDGET 2005-06	ACTUAL 2005-06	BUDGET 2006-07	BUDGET 2006-07	ADOPTED BUDGET 2007-08	FROM AMENDED BUDGET
<i>Personal Services/Benefits</i>	\$903,500	\$902,503	\$916,500	\$971,300	\$941,500	-3.07%
<i>Supplies</i>	12,400	8,270	10,400	15,400	13,900	-9.74%
<i>Repairs & Maintenance</i>	300	0	2,300	2,300	2,300	0.00%
<i>Services</i>	30,200	24,795	30,200	52,100	34,400	-33.97%
Total Department Budget	<u>\$946,400</u>	<u>\$935,568</u>	<u>\$959,400</u>	<u>\$1,041,100</u>	<u>\$992,100</u>	<u>-4.71%</u>

COMMUNICATIONS

The responsibility of the Communications Division is to provide current and accurate information about the City of Farmers Branch. This information is presented to the citizens, newcomers, media, and employees through the Branch Review, FBTV-Cable Channel 16, WPIW 1670 AM radio station, Internet, www.farmersbranch.info, personal contacts, e-mail news notifications (Branch Mail), video programs, news releases, and advertising.

This division executes all public information campaigns and serves as the media relations representative both on a daily basis and in emergency situations. The division also serves as a resource center for citizens, staff, civic groups, and the news media and provides support for the Sister City program and special print projects for departments.

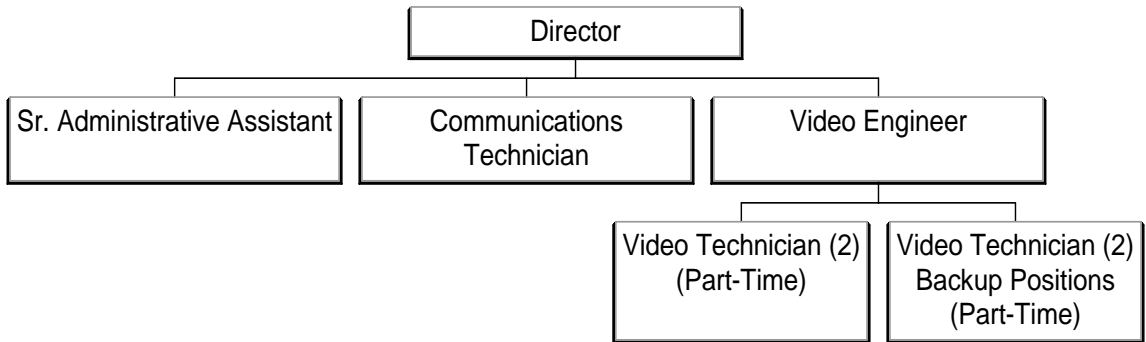
2007-08 OBJECTIVES

1. Work with the marketing specialist to undertake a branding effort that will include an evaluation of the City's logo, redesign of the City's Web site and designation of key messages. 
2. Work with Information Services staff during the Web redesign process to determine a strategy for enhancing online video capabilities that may include increasing number of viewers capable of watching online and video-on-demand capabilities. 
3. Continue to enhance "The Branch Review" to include information from departments along with business-related updates, features and news as well as information on City services and upcoming events. 
4. Produce the City's annual report emphasizing the imagery and key messages of the branding effort. 
5. Produce six new public service announcements for FBTV. 
6. Create a new public safety show for FBTV drawing upon expertise and talent from Police and Fire Departments. 
7. Update FBTV text boards by adding design and informational value to the text presentations as an alternative type of programming. 

BUDGET HIGHLIGHTS

Included funds to replace the aging and unreliable postage/mailing machine.

Communications




COMMUNICATIONS SUMMARY	YEAR-END		ADOPTED BUDGET 2006-07	YEAR-END		% CHANGE FROM AMENDED BUDGET
	AMENDED			AMENDED		
	BUDGET 2005-06	ACTUAL 2005-06		BUDGET 2006-07	BUDGET 2007-08	
<i>Personal Services/Benefits</i>	\$312,900	\$310,231	\$319,200	\$325,700	\$338,000	3.78%
<i>Supplies</i>	22,100	21,718	22,700	22,700	23,700	4.41%
<i>Repairs & Maintenance</i>	5,700	5,345	5,700	5,700	3,700	-35.09%
<i>Services</i>	57,200	56,431	66,300	66,300	67,800	2.26%
<i>Transfers</i>	0	0	37,000	37,000	29,700	-19.73%
Total Department Budget	\$397,900	\$393,725	\$450,900	\$457,400	\$462,900	1.20%

ECONOMIC DEVELOPMENT & TOURISM



The Economic Development & Tourism Office serves as the development representative for the City and is responsible for the attraction of business and industry both nationally and internationally, retention and expansion of existing business and industry, and promotion of local convention and tourism business. The office is a part of the Office of the City Manager.

2007-08 OBJECTIVES



Economic Development

1. Continue to implement the economic development strategy in the areas of attraction of business and industry, both nationally and internationally, and the retention and expansion of existing businesses. 
2. Continue collaborative efforts with Brookhaven College on State of Texas skills development fund. 
3. Coordinate TIF No. 1 and TIF No. 2 projects including annual board meetings and development.
4. Contact a minimum of 15 second-tier Farmers Branch companies or DFW developers. 
5. Contact a minimum of 10 out of the top 30 sales tax companies. 
6. Continue coordination of an economic development strategy with the Branch Revitalization Task Force.
7. Coordinate with the Planning Division on implementation of the Four Corners retail study. 
8. Evaluate the marketing study for branding ideas and make recommendations for implementation.
9. Coordinate marketing material for the Four Corners and light rail station areas. 
10. Develop and implement a citywide branding plan.

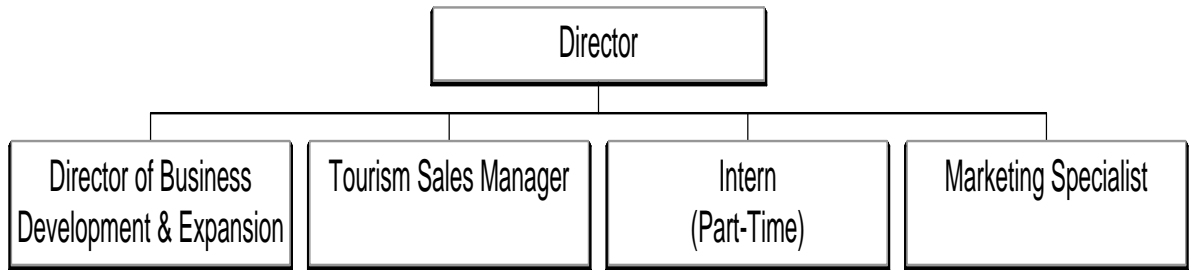
Tourism

1. Review and update tourism marketing strategies.
2. Continue to place specific emphasis on development of SMERF (Sports, Military, Educational, Religious and Fraternal) markets. 
3. Continue an aggressive marketing strategy that includes the Dr Pepper StarCenter. 

Neighborhood Revitalization

1. Develop, implement and manage a residential incentive program. 
2. Development and implement a branding program. 

Economic Development & Tourism






ECONOMIC DEVELOPMENT SUMMARY	YEAR-END AMENDED BUDGET 2005-06	ACTUAL 2005-06	ADOPTED BUDGET 2006-07	YEAR-END AMENDED BUDGET 2006-07	ADOPTED BUDGET 2007-08	% CHANGE FROM AMENDED BUDGET
<i>Personal Services/Benefits</i>	\$255,200	\$255,265	\$264,000	\$316,100	\$343,200	8.57%
<i>Supplies</i>	8,600	3,967	8,600	10,000	8,600	-14.00%
<i>Services</i>	63,500	41,581	64,000	64,000	65,200	1.88%
Total Department Budget	<u>\$327,300</u>	<u>\$300,813</u>	<u>\$336,600</u>	<u>\$390,100</u>	<u>\$417,000</u>	<u>6.90%</u>

HUMAN RESOURCES

The responsibilities of the Human Resources Department are to develop, implement and administer human resource programs and services to meet the City's needs. Services provided include: recruiting and testing individuals to fill vacancies; policy and procedure development; maintaining personnel files; managing the City's compensation and benefit plans; fostering a positive employee relations environment; developing and implementing citywide training and development programs; and, assuring compliance with all federal, state, and local regulations.

The Risk Management Section of the department is responsible for the design, implementation, and management of loss control, claims management, workers' compensation, and property and casualty insurance programs.

2007-08 OBJECTIVES

1. Recruit and retain a highly productive staff and improve customer service by providing training to employees and supervisors on issues such as sexual harassment, diversity, Family Medical Leave Act, employment law, and basic business and customer service skills. 
2. Continue to enhance the Employee Wellness Program and expand opportunities to improve the health and wellness of employees, retirees and dependents.
3. Assist in the startup operations and meet staffing needs of Fire Station No. 3 by efficiently and effectively completing the recruitment and selection process for fire personnel. 
4. Implement a safety incentive program to encourage and recognize safe work habits and practices. 

Human Resources



HUMAN RESOURCES SUMMARY	YEAR-END		YEAR-END		% CHANGE FROM AMENDED	
	AMENDED		ADOPTED	ADOPTED		
	BUDGET	ACTUAL	BUDGET	BUDGET		
	2005-06	2005-06	2006-07	2006-07	2007-08	AMENDED BUDGET
<i>Personal Services/Benefits</i>	\$564,400	\$563,210	\$592,900	\$594,500	\$570,700	-4.00%
<i>Supplies</i>	29,900	26,732	29,900	36,900	43,600	18.16%
<i>Repairs & Maintenance</i>	0	0	600	600	1,200	100.00%
<i>Services</i>	121,200	111,219	136,300	172,300	185,800	7.84%
Total Department Budget	\$715,500	\$701,161	\$759,700	\$804,300	\$801,300	-0.37%






FINANCE

The Finance Department is comprised of five divisions: Administration, Accounting, Information Services, Purchasing, and Municipal Court. The department is dedicated to providing quality financial and information services to achieve internal and external customer satisfaction in a manner that is effective, efficient, equitable, and courteous. This is accomplished by maintaining a work atmosphere that promotes integrity, accountability and professional staff development and innovation while complying with professional standards, City policy and the law.

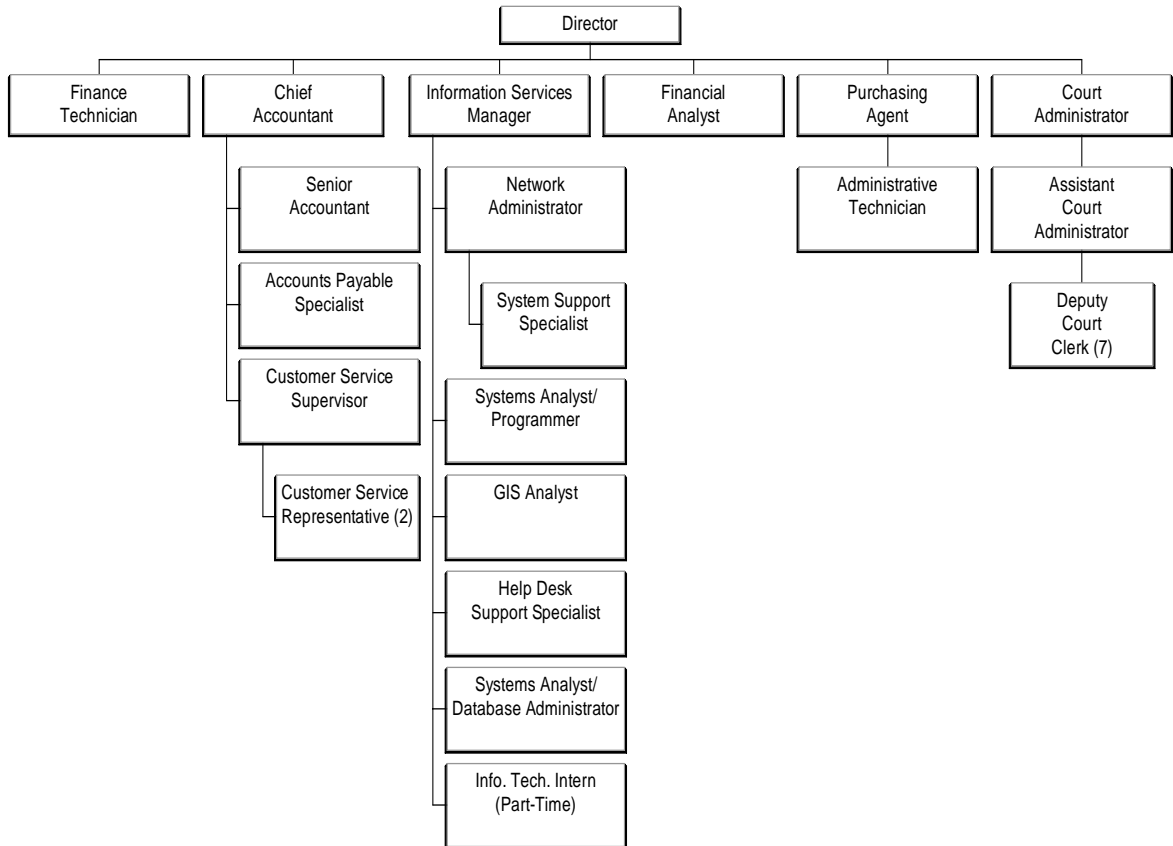
The responsibilities of the department are to develop and implement financial accounting policies and procedures; to contract for the purchase of goods and services in compliance with City policies and State laws; to protect and optimize the financial resources of the City; to provide a sound accounting system for safeguarding the City's assets through the recording and reporting of financial transactions in a manner consistent with Generally Accepted Accounting Principles (GAAP) and legally mandated standards; to schedule trials and the adjudication of those legal matters within its jurisdiction; collect and process fines assessed by the court; and, issue arrest warrants. In addition, this department serves all users of the City's PC based and mini AS/400 based computer systems, Geographical Information System (GIS) and telephone system.

The departmental goals are to participate in the development of sound fiscal policies; to provide sound fiscal management; to maintain a high credit bond rating; and, to provide for the management and investment of available funds consistent with criteria for safety, liquidity and rate of return.

2007-08 OBJECTIVES

1. Retain the GFOA Certificate of Achievement for Excellence in Financial Reporting.
2. Retain the GFOA Distinguished Budget Award.
3. Assist departments with implementation of new hardware and software.
4. Coordinate efforts to renew a fair and reasonable water contract with the City of Dallas.
5. Manage the transition to a new external auditor.
6. Assist in negotiations for a new landfill operator contract.
7. Seek opportunities to streamline city services. 
8. Prepare and implement a budget that assures a stable tax rate and provides needed services. 
9. Seek opportunities to improve customer service. 
10. Evaluate and update the City's financial strategy. 
11. Continually improve financial health by meeting or exceeding fiscal policies and goals. 

Finance



FINANCE SUMMARY	YEAR-END AMENDED		ADOPTED BUDGET 2006-07	YEAR-END AMENDED		% CHANGE FROM AMENDED BUDGET
	BUDGET 2005-06	ACTUAL 2005-06		BUDGET 2006-07	ADOPTED BUDGET 2007-08	
<i>Personal Services/Benefits</i>	\$2,061,000	\$2,034,357	\$2,117,900	\$2,052,800	\$2,123,600	3.45%
<i>Purchased Prof & Tech Services</i>	215,100	223,680	216,600	216,600	228,000	5.26%
<i>Supplies</i>	217,800	138,245	244,500	247,500	169,000	-31.72%
<i>Repairs & Maintenance</i>	254,300	253,473	271,500	251,500	286,200	13.80%
<i>Services</i>	126,900	109,265	112,800	119,900	122,400	2.09%
<i>Transfers</i>	25,000	25,000	55,000	75,000	106,000	41.33%
Total Department Budget	<u>\$2,900,100</u>	<u>\$2,784,020</u>	<u>\$3,018,300</u>	<u>\$2,963,300</u>	<u>\$3,035,200</u>	<u>2.43%</u>

SUMMARY BUDGET CATEGORIES

	YEAR-END AMENDED BUDGET 2005-06	ACTUAL 2005-06	ADOPTED BUDGET 2006-07	YEAR-END AMENDED BUDGET 2006-07	ADOPTED BUDGET 2007-08
FINANCE ADMINISTRATION					
<i>Personal Services/Benefits</i>	\$356,800	\$356,214	\$364,600	\$372,300	\$350,500
<i>Purchased Prof & Tech Services</i>	205,200	217,297	206,700	206,700	218,100
<i>Supplies</i>	10,900	10,128	10,900	10,900	11,300
<i>Services</i>	19,000	15,902	19,000	19,800	19,100
Total Budget	<u>\$591,900</u>	<u>\$599,541</u>	<u>\$601,200</u>	<u>\$609,700</u>	<u>\$599,000</u>
INFORMATION SERVICES					
<i>Personal Services/Benefits</i>	\$671,400	\$646,164	\$685,300	\$613,200	\$646,500
<i>Supplies</i>	176,200	100,871	191,700	191,700	118,700
<i>Repairs & Maintenance</i>	253,300	253,144	270,500	250,500	285,000
<i>Services</i>	59,700	52,150	43,700	50,000	51,200
<i>Transfers</i>	25,000	25,000	55,000	75,000	106,000
Total Budget	<u>\$1,185,600</u>	<u>\$1,077,329</u>	<u>\$1,246,200</u>	<u>\$1,180,400</u>	<u>\$1,207,400</u>
ACCOUNTING					
<i>Personal Services/Benefits</i>	\$415,300	\$414,684	\$424,100	\$429,100	\$445,000
<i>Supplies</i>	12,300	12,235	12,300	15,300	10,900
<i>Repairs & Maintenance</i>	1,000	329	1,000	1,000	1,200
<i>Services</i>	32,300	28,090	32,300	32,300	34,300
Total Budget	<u>\$460,900</u>	<u>\$455,338</u>	<u>\$469,700</u>	<u>\$477,700</u>	<u>\$491,400</u>
PURCHASING					
<i>Personal Services/Benefits</i>	\$130,100	\$129,893	\$131,700	\$135,000	\$141,100
<i>Supplies</i>	2,300	1,664	2,300	2,300	2,300
<i>Services</i>	9,000	7,113	9,000	9,000	9,000
Total Budget	<u>\$141,400</u>	<u>\$138,670</u>	<u>\$143,000</u>	<u>\$146,300</u>	<u>\$152,400</u>
MUNICIPAL COURT					
<i>Personal Services/Benefits</i>	\$487,400	\$487,402	\$512,200	\$503,200	\$540,500
<i>Purchased Prof & Tech Services</i>	9,900	6,383	9,900	9,900	9,900
<i>Supplies</i>	16,100	13,347	27,300	27,300	25,800
<i>Services</i>	6,900	6,010	8,800	8,800	8,800
Total Budget	<u>\$520,300</u>	<u>\$513,142</u>	<u>\$558,200</u>	<u>\$549,200</u>	<u>\$585,000</u>



**FARMERS
BRANCH**

COMMUNITY SERVICES












The Community Services Department is comprised of three divisions: Administration, Building Inspection and Environmental Health.

The Community Services Administration Division oversees the operations of the department and houses the City's planning activities. The division manages the City's land development process and coordinates the long-range comprehensive planning process. The division processes development applications, provides technical support to the Planning and Zoning Commission and City Council, maintains the Comprehensive Plan, prepares ordinances, and conducts special land use and demographic studies as necessary.

The Building Inspection Division primarily administers and enforces the City's various construction codes, minimum housing code, property maintenance code, and zoning regulations. The City's Code Enforcement Program is operated under this division. The division reviews construction plans, issues permits, pursues the abatement of nuisances, and conducts a broad range of on-site inspections related to the regulations it is charged with enforcing.

The Environmental Health Division administers a range of public and environmental health programs, is actively involved in remediation of soil/air/groundwater contamination, and manages the City's animal control program. The division regulates food service establishments, industrial wastewater discharges, and public and semi-public swimming pools. The division also manages the City's health services contract with the Dallas County Health Department. Other responsibilities include hazardous material spill response, mosquito population control and enforcing noise regulations.

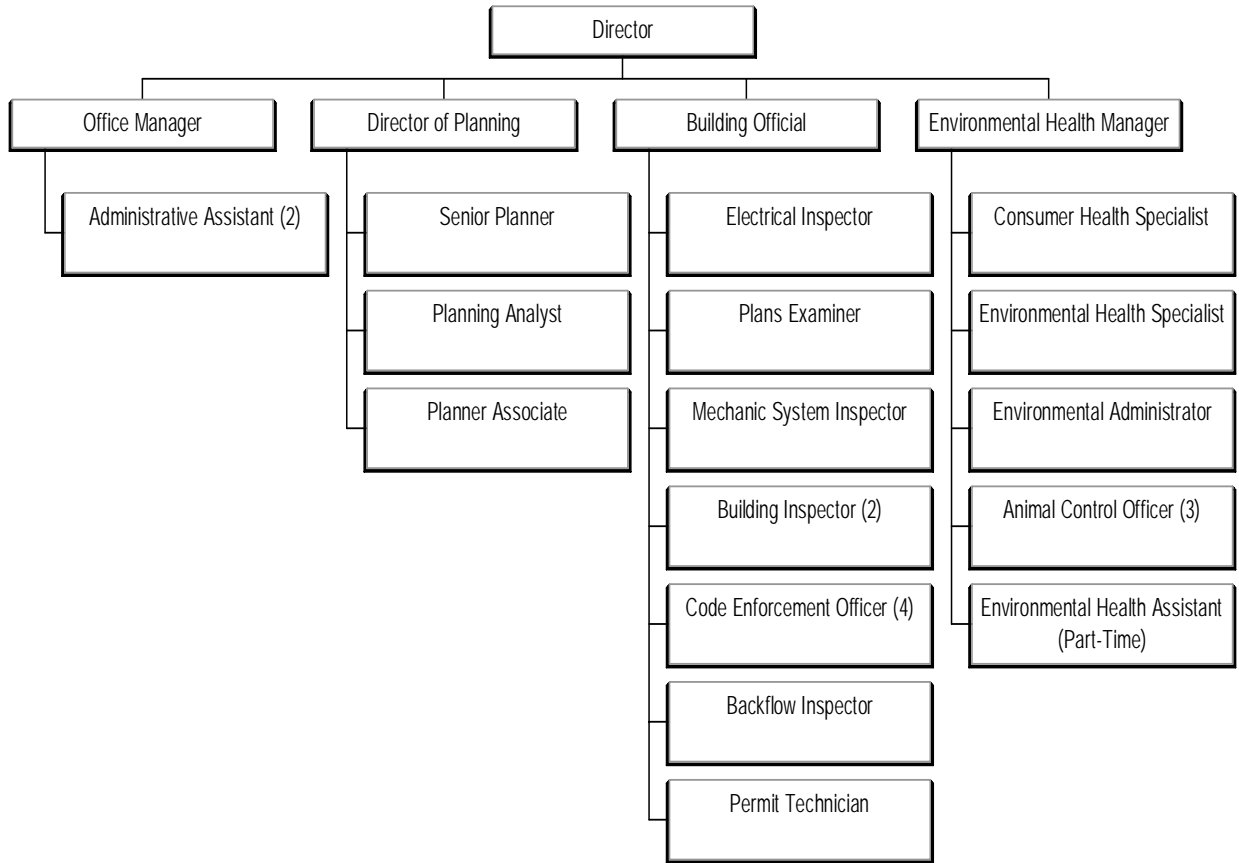
2007-08 OBJECTIVES

1. Begin implementation of the Four Corners action plan. 
2. Develop a new interactive zoning atlas using new GIS technology. 
3. Consolidate amendments and reformat the Comprehensive Zoning Ordinance to improve its utility. 
4. Secure a location and complete the design for a new animal shelter. 
5. Conduct six bite prevention courses at schools and/or daycare centers. 
6. Submit the City's Phase II Storm Water Management Program plan and application to the Texas Commission on Environmental Quality. 
7. Implement year one of the Phase II storm water permit, including developing and maintaining records for annual report submittal. 
8. Conduct residential property conditions survey in December 2007. 
9. Implement building permit tracking software. 
10. Determine the next sector (east side or central area) of the Comprehensive Plan to develop. 
11. Increase efficiency of processing notices and citations through effective use of technology and increased staffing levels. 

BUDGET HIGHLIGHTS

1. Included funds to replace three vehicles deferred from replacement in the 2006-07 budget and for three vehicles on the 2007-08 replacement schedule.
2. Included funds for sterilizing, vaccinating and micro-chipping animals housed at the animal shelter prior to their release to new owners.

Community Services



COMMUNITY SERVICES SUMMARY	YEAR-END		ADOPTED BUDGET 2006-07	YEAR-END		% CHANGE FROM AMENDED BUDGET
	AMENDED	ACTUAL		AMENDED	ADOPTED	
	BUDGET 2005-06			BUDGET 2006-07	BUDGET 2007-08	
<i>Personal Services/Benefits</i>	\$1,868,400	\$1,846,280	\$2,053,500	\$2,048,300	\$2,165,100	5.70%
<i>Supplies</i>	61,300	66,851	75,200	81,000	71,100	-12.22%
<i>Repairs & Maintenance</i>	33,800	34,076	34,200	36,100	39,000	8.03%
<i>Services</i>	198,300	184,140	224,400	228,500	217,800	-4.68%
<i>Transfers</i>	110,700	110,700	113,500	76,400	148,500	94.37%
Total Department Budget	\$2,272,500	\$2,242,047	\$2,500,800	\$2,470,300	\$2,641,500	6.93%

SUMMARY BUDGET CATEGORIES

	YEAR-END AMENDED BUDGET 2005-06	ACTUAL 2005-06	ADOPTED BUDGET 2006-07	YEAR-END AMENDED BUDGET 2006-07	ADOPTED BUDGET 2007-08
COMMUNITY SERVICES ADMIN.					
<i>Personal Services/Benefits</i>	\$657,400	\$647,483	\$670,300	\$644,900	\$696,100
<i>Supplies</i>	16,100	15,181	15,400	20,100	14,500
<i>Repairs & Maintenance</i>	2,300	2,335	1,300	1,300	2,100
<i>Services</i>	67,600	63,098	83,700	83,700	59,300
Total Budget	<u>\$758,400</u>	<u>\$743,097</u>	<u>\$776,400</u>	<u>\$757,100</u>	<u>\$772,000</u>
BUILDING INSPECTION					
<i>Personal Services/Benefits</i>	\$721,700	\$714,852	\$846,400	\$851,900	\$900,400
<i>Supplies</i>	20,200	26,732	31,200	31,200	29,000
<i>Repairs & Maintenance</i>	12,600	13,737	17,800	17,800	18,800
<i>Services</i>	29,400	27,960	33,600	35,600	38,000
Total Budget	<u>\$828,900</u>	<u>\$828,281</u>	<u>\$954,600</u>	<u>\$962,100</u>	<u>\$1,085,700</u>
ENVIRONMENTAL HEALTH					
<i>Personal Services/Benefits</i>	\$489,300	\$483,945	\$536,800	\$551,500	\$568,600
<i>Supplies</i>	25,000	24,938	28,600	29,700	27,600
<i>Repairs & Maintenance</i>	18,900	18,004	15,100	17,000	18,100
<i>Services</i>	101,300	93,082	107,100	109,200	120,500
<i>Transfers</i>	50,700	50,700	82,200	43,700	49,000
Total Budget	<u>\$685,200</u>	<u>\$670,669</u>	<u>\$769,800</u>	<u>\$751,100</u>	<u>\$783,800</u>

ENGINEERING

The Engineering Department is directed by the city engineer and is comprised of two divisions: Engineering and Traffic.

The Engineering Division plans, programs, and administers design of infrastructure improvements related to water distribution, sanitary sewer collection, streets, drainage, and creeks. This division is also responsible for construction inspection and administration of all capital improvements. This division administers platting and permitting. Also within the division is the landscape architect who performs and/or coordinates all programming and design of landscape, irrigation, and recreational improvements on City property.

The Traffic Division is responsible for planning and programming of traffic and thoroughfare improvements; evaluation of the impact of new developments; coordination of transportation planning activities with other governmental agencies; and, operation and maintenance of the traffic signal and school flasher systems within the city.

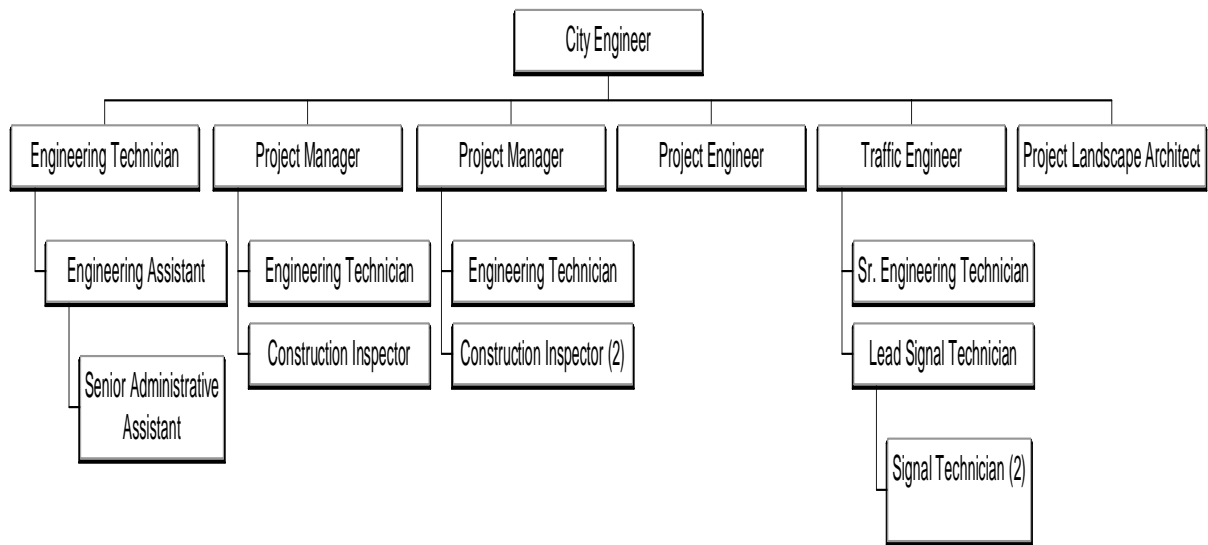
2007-08 OBJECTIVES

1. Work with developers of the West Side to assure timely and high quality development of western Farmers Branch. 
2. Continue participation in the planning and implementation of infrastructure improvements associated with the Tax Increment Financing District No. 1 (Mercer Crossing).
3. Implement development strategy by: 
 - Actively participating in creating a partnership with qualified builders and/or developers to develop the light rail station area.
 - Administering design and construction contracts for the infrastructure improvements associated with the Tax Increment Financing District No. 2 (light rail station area).
4. Continue to represent the City's interest with TxDOT in the design and construction improvements of IH635 and IH35E.
5. Effectively maintain streets, sidewalks, alleys, drainage facilities, and water/sewer systems by: 
 - Administering design and construction contracts for the capital improvement plan including the reconstruction of Benchmark Drive and the rehabilitation of Midway Road and Webb Chapel Road.
 - Coordinating with the Public Works Department in implementing the street resurfacing program.
 - Administering the Utility Rehabilitation and Replacement Program.
6. Initiate the first of a seven-year plan to relamp traffic signals.

BUDGET HIGHLIGHTS

1. Included funds for two replacement vehicles.
2. Included funds to replace a copier.

Engineering



ENGINEERING SUMMARY	YEAR-END AMENDED		ADOPTED BUDGET 2006-07	YEAR-END AMENDED		% CHANGE FROM AMENDED BUDGET
	BUDGET 2005-06	ACTUAL 2005-06		BUDGET 2006-07	BUDGET 2007-08	
<i>Personal Services/Benefits</i>	\$1,636,000	\$1,618,421	\$1,653,000	\$1,733,600	\$1,793,000	3.43%
<i>Supplies</i>	24,600	23,449	26,500	26,500	27,800	4.91%
<i>Repairs & Maintenance</i>	114,700	106,507	161,600	163,600	165,700	1.28%
<i>Services</i>	369,200	323,243	371,100	373,600	374,600	0.27%
<i>Transfers</i>	42,000	42,000	25,600	50,600	83,500	65.02%
Total Department Budget	<u>\$2,186,500</u>	<u>\$2,113,620</u>	<u>\$2,237,800</u>	<u>\$2,347,900</u>	<u>\$2,444,600</u>	<u>4.12%</u>

SUMMARY BUDGET CATEGORIES

	YEAR-END AMENDED BUDGET 2005-06	ACTUAL 2005-06	ADOPTED BUDGET 2006-07	YEAR-END AMENDED BUDGET 2006-07	ADOPTED BUDGET 2007-08
ENGINEERING					
<i>Personal Services/Benefits</i>	\$1,158,200	\$1,156,034	\$1,181,100	\$1,253,700	\$1,298,100
<i>Supplies</i>	15,400	13,944	17,000	17,000	18,000
<i>Repairs & Maintenance</i>	20,800	20,894	21,200	21,200	21,200
<i>Services</i>	38,000	29,669	39,000	40,500	41,500
<i>Transfers</i>	42,000	42,000	25,600	25,600	34,000
Total Budget	<u>\$1,274,400</u>	<u>\$1,262,541</u>	<u>\$1,283,900</u>	<u>\$1,358,000</u>	<u>\$1,412,800</u>
TRAFFIC ENGINEERING					
<i>Personal Services/Benefits</i>	\$477,800	\$462,387	\$471,900	\$479,900	\$494,900
<i>Supplies</i>	9,200	9,505	9,500	9,500	9,800
<i>Repairs & Maintenance</i>	93,900	85,613	140,400	142,400	144,500
<i>Services</i>	331,200	293,574	332,100	333,100	333,100
<i>Transfers</i>	0	0	0	25,000	49,500
Total Budget	<u>\$912,100</u>	<u>\$851,079</u>	<u>\$953,900</u>	<u>\$989,900</u>	<u>\$1,031,800</u>



**FARMERS
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PUBLIC WORKS

The Public Works Department is comprised of five divisions: Administration, Solid Waste Collection, Street Maintenance, Water & Sewer Administration, and Water & Sewer Operations.

The Administration Division provides the planning, direction and control of the daily operations for all divisions within the department.









The Solid Waste Collection Division inspects, observes and monitors contractor operations at the sanitary landfill, which is operated by a private corporation through a management and operations agreement. This facility is operated in compliance with the Texas Commission on Environmental Quality rules and regulations. This division provides collection and disposal of all municipal solid waste from City properties and special events. This division also provides twice per week residential sanitation collection and once per week brush and bulky item collection. The division operates a limited Citizen Collection Center at 1399 Valley View Lane for residents for the disposal of normal residential debris and recycling materials. Recycling materials may also be taken to drop-off points located at the Don Showman Park and the Oran Good Park parking lots. Acceptable recycling materials include: aluminum, clear glass, newspaper, Type 2 plastic, and two liter (Type 1) plastic soft drink bottles.

The Street Maintenance Division provides concrete and asphalt street maintenance, severe weather response, street sweeping, crack sealing, storm water drainage facility maintenance, sign replacement and repair, street striping, traffic button installation and replacement, barricade maintenance, sidewalk repairs, pavement repairs for utility cuts and water main replacement, and an annual street resurfacing program.

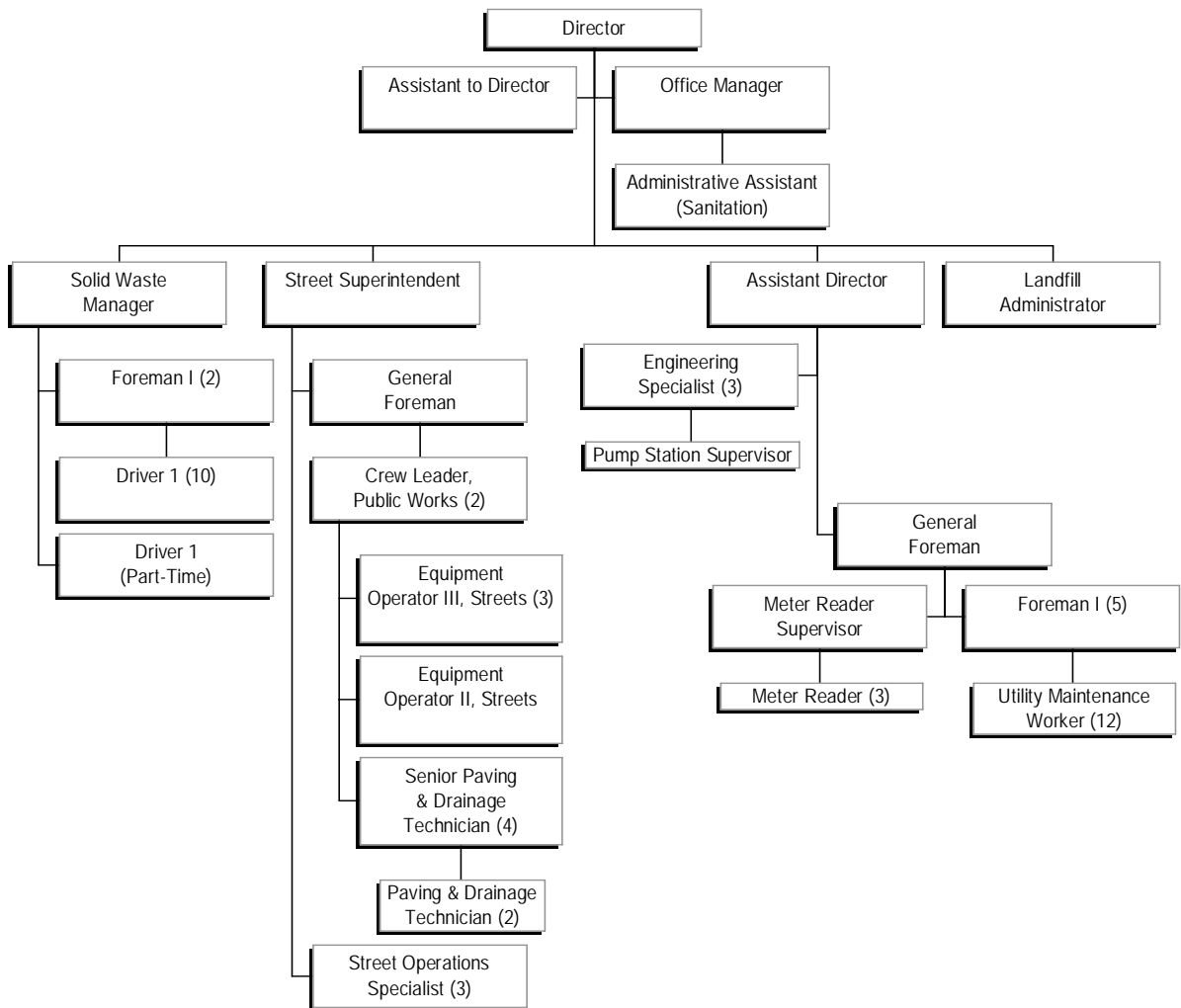
The Water & Sewer Administration Division provides the planning, direction and control of the daily utility operations.

The Water & Sewer Operations Division provides water and sewer service, main repairs, valve operation, service line maintenance, fire hydrant maintenance, plant operation, water meter reading and repairs, and improvements to the water and sewer system.

2007-08 OBJECTIVES

1. Implement Phase II Storm Water Management Program plan. 
2. Complete format changes on street signs. 
3. Implement a household hazardous waste collection event for citizens. 
4. Examine the long-term solid waste disposal plan with the main emphasis being the expansion of the landfill. 
5. Examine the demand for the current recycling program as well as other potential reuse or recycling opportunities. 
6. Continue the transition plan for front curb pickup and fleet conversion. 
7. Implement the proposal for the conversion of the landfill gas-to-energy system.
8. Implement the network based SCADA system for water and sewer operations.
9. Develop a comprehensive Inflow and Infiltration Program (I & I) to identify issues in the sewer system. 
10. Develop an implementation plan with consideration of the completed efficiency study for the water distribution system. 
11. Develop a procedures and operations guide to delineate administrative functions within the department.

Public Works



PUBLIC WORKS SUMMARY	YEAR-END		YEAR-END		% CHANGE FROM AMENDED BUDGET	
	AMENDED		ADOPTED	AMENDED		
	BUDGET	ACTUAL	BUDGET	BUDGET		
	2005-06	2005-06	2006-07	2006-07	2007-08	
<i>Personal Services/Benefits</i>	\$2,265,100	\$2,246,130	\$2,441,600	\$2,357,200	\$2,515,000	6.69%
<i>Contract Labor</i>	53,200	52,150	70,600	69,600	70,600	1.44%
<i>Supplies</i>	206,000	203,818	230,800	232,300	230,500	-0.77%
<i>Repairs & Maintenance</i>	1,581,400	1,487,979	1,583,900	1,652,700	1,661,000	0.50%
<i>Services</i>	93,900	72,932	183,900	157,100	146,200	-6.94%
<i>Production & Disposal</i>	251,000	249,140	282,800	282,800	282,800	0.00%
<i>Transfers</i>	197,900	197,900	449,100	573,500	538,000	-6.19%
Total Department Budget	\$4,648,500	\$4,510,049	\$5,242,700	\$5,325,200	\$5,444,100	2.23%

SUMMARY BUDGET CATEGORIES

	YEAR-END AMENDED BUDGET 2005-06	ACTUAL 2005-06	ADOPTED BUDGET 2006-07	YEAR-END AMENDED BUDGET 2006-07	ADOPTED BUDGET 2007-08
PUBLIC WORKS ADMINISTRATION					
<i>Personal Services/Benefits</i>	\$364,600	\$364,099	\$370,800	\$376,900	\$396,100
<i>Supplies</i>	4,300	3,901	4,800	4,800	4,800
<i>Repairs & Maintenance</i>	1,100	924	1,200	1,200	1,200
<i>Services</i>	17,700	12,095	18,400	19,900	20,800
Total Budget	<u>\$387,700</u>	<u>\$381,019</u>	<u>\$395,200</u>	<u>\$402,800</u>	<u>\$428,900</u>
SOLID WASTE COLLECTION					
<i>Personal Services/Benefits</i>	\$778,200	\$742,082	\$872,900	\$832,600	\$907,600
<i>Contract Labor</i>	53,200	52,150	70,600	69,600	70,600
<i>Supplies</i>	124,300	125,967	145,100	146,600	146,600
<i>Repairs & Maintenance</i>	300,400	288,104	306,200	303,200	307,800
<i>Services</i>	40,400	33,225	122,300	93,600	81,900
<i>Disposal</i>	251,000	249,140	282,800	282,800	282,800
<i>Transfers</i>	34,900	34,900	215,600	315,600	377,000
Total Budget	<u>\$1,582,400</u>	<u>\$1,525,568</u>	<u>\$2,015,500</u>	<u>\$2,044,000</u>	<u>\$2,174,300</u>
STREET MAINTENANCE					
<i>Personal Services/Benefits</i>	\$1,122,300	\$1,139,949	\$1,197,900	\$1,147,700	\$1,211,300
<i>Supplies</i>	77,400	73,950	80,900	80,900	79,100
<i>Repairs & Maintenance</i>	1,279,900	1,198,951	1,276,500	1,348,300	1,352,000
<i>Services</i>	35,800	27,612	43,200	43,600	43,500
<i>Transfers</i>	163,000	163,000	233,500	257,900	155,000
Total Budget	<u>\$2,678,400</u>	<u>\$2,603,462</u>	<u>\$2,832,000</u>	<u>\$2,878,400</u>	<u>\$2,840,900</u>











**FARMERS
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POLICE

The mission of the Police Department is to assure each citizen the opportunity to enjoy life in peace and freedom from criminal acts. Through a commitment to work in partnership with citizens to provide courteous professional services the department will fairly and impartially carryout its mission with P.R.I.D.E. (Partnership, Respect, Innovation, Dedication, and Excellence).

Functions of the department are divided among four divisions: Administration, Patrol, Investigations, and Communications. The Administration Division is responsible for administration, control, support, and coordination for all divisions. The Patrol Division is the largest division and is primarily responsible for responding to service calls, enforcing traffic laws and preventive patrol in addition to detention services and K-9 services. The Investigations Division provides youth services and follow-up investigations of all reported criminal offenses within the city including filing criminal cases in the court of jurisdiction. The Communications Division is responsible for answering 9-1-1 calls and provides dispatch service for police, fire and emergency medical services (EMS) personnel.

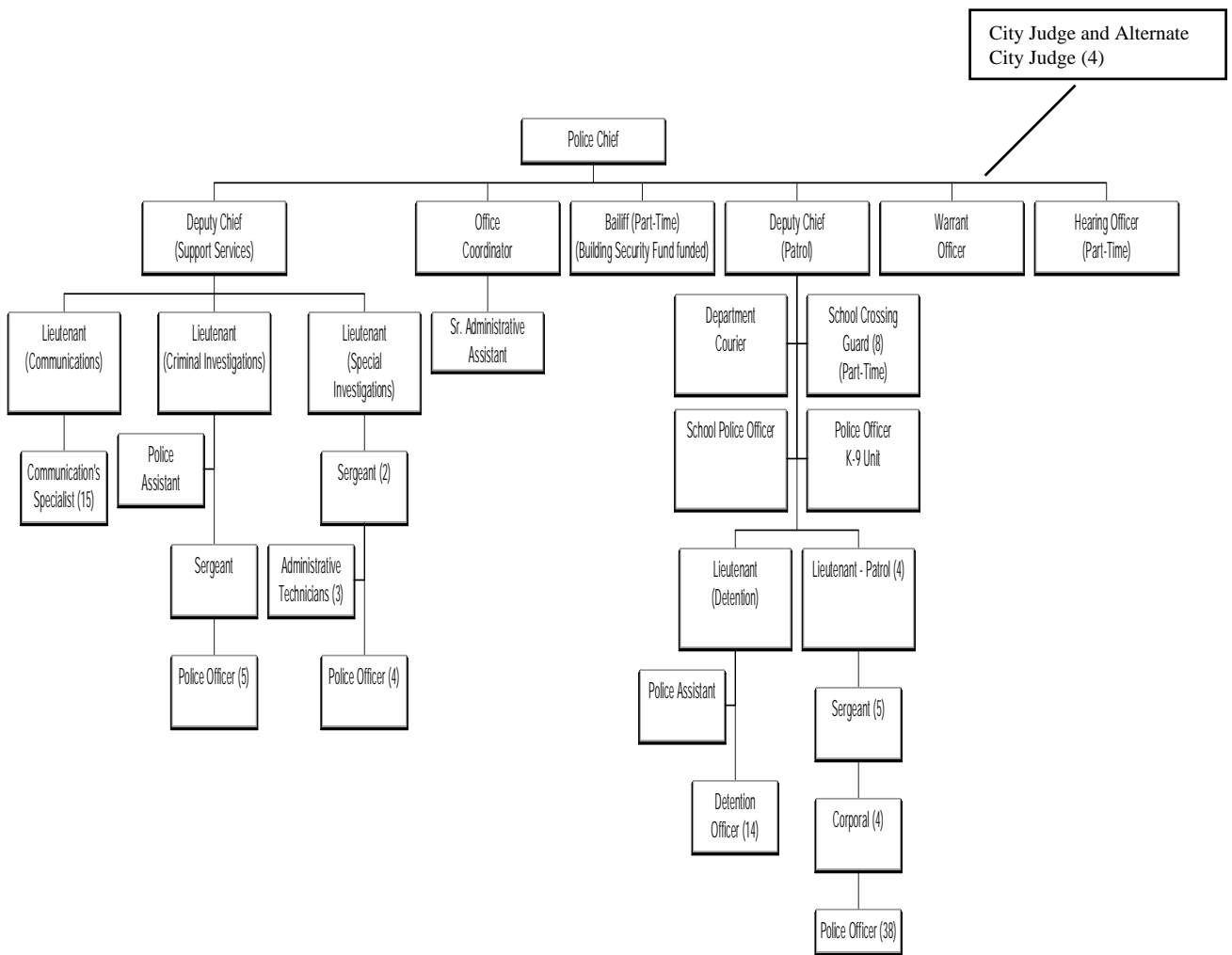
2007-08 OBJECTIVES

1. Continue to support and encourage participation in the Community Watch Program by providing police participation in community events. 
2. Build on problem-oriented-policing successes through increased interaction and communication with citizens served by the department. 
3. Create a Citizens Volunteer Program and increase involvement in the Citizens on Patrol Program. 
4. Continue monthly crime analysis meetings in order to effectively direct resources to problem areas.
5. Encourage increased participation in the recruiting process from all levels of the department. 
6. Continue to train officers in crisis intervention to meet the 2009 State mandate.
7. Continue to apply for alternative funding sources.
8. Continue specialized training for supervisors to prepare for management level positions. 
9. Increase public safety with increased traffic enforcement and police presence. 
10. Implement specific crime reduction strategies. 
11. Improve effectiveness and efficiency through both personnel and policy development. 

BUDGET HIGHLIGHTS

Included funding for the replacement of nine marked police vehicles and one police canine vehicle.

Police



POLICE SUMMARY	YEAR-END AMENDED		ADOPTED BUDGET 2006-07	YEAR-END AMENDED		% CHANGE FROM AMENDED BUDGET
	BUDGET 2005-06	ACTUAL 2005-06		BUDGET 2006-07	ADOPTED BUDGET 2007-08	
<i>Personal Services/Benefits</i>	\$7,675,100	\$7,564,842	\$8,267,600	\$8,222,700	\$8,765,400	6.60%
<i>Supplies</i>	309,700	293,571	312,700	295,700	321,500	8.73%
<i>Repairs & Maintenance</i>	554,800	499,886	549,500	584,500	589,100	0.79%
<i>Services</i>	467,300	360,533	472,700	642,700	485,600	-24.44%
<i>Transfers</i>	148,500	148,500	240,000	346,000	205,000	-40.75%
Total Department Budget	<u>\$9,155,400</u>	<u>\$8,867,332</u>	<u>\$9,842,500</u>	<u>\$10,091,600</u>	<u>\$10,366,600</u>	<u>2.73%</u>

SUMMARY BUDGET CATEGORIES

	YEAR-END AMENDED BUDGET 2005-06	ACTUAL 2005-06	ADOPTED BUDGET 2006-07	YEAR-END AMENDED BUDGET 2006-07	ADOPTED BUDGET 2007-08
POLICE ADMINISTRATION					
<i>Personal Services/Benefits</i>	\$223,800	\$199,256	\$262,400	\$240,600	\$275,500
<i>Supplies</i>	35,700	33,124	25,200	28,200	26,900
<i>Repairs & Maintenance</i>	84,600	80,279	34,700	34,700	36,300
<i>Services</i>	137,700	129,104	140,700	162,000	143,300
<i>Transfers</i>	13,500	13,500	0	0	0
Total Budget	<u>\$495,300</u>	<u>\$455,263</u>	<u>\$463,000</u>	<u>\$465,500</u>	<u>\$482,000</u>
POLICE INVESTIGATIONS					
<i>Personal Services/Benefits</i>	\$1,163,400	\$1,197,225	\$1,257,300	\$1,265,400	\$1,416,000
<i>Supplies</i>	30,100	23,649	32,800	22,800	34,000
<i>Repairs & Maintenance</i>	18,000	19,880	25,400	30,400	30,400
<i>Services</i>	24,100	18,054	24,100	24,300	24,300
Total Budget	<u>\$1,235,600</u>	<u>\$1,258,808</u>	<u>\$1,339,600</u>	<u>\$1,342,900</u>	<u>\$1,504,700</u>
POLICE PATROL					
<i>Personal Services/Benefits</i>	\$5,049,200	\$4,999,355	\$5,450,900	\$5,485,400	\$5,757,300
<i>Supplies</i>	231,500	226,175	249,800	239,800	255,700
<i>Repairs & Maintenance</i>	182,400	173,392	189,300	219,300	222,300
<i>Services</i>	37,600	31,893	40,000	181,500	46,500
<i>Transfers</i>	85,000	85,000	240,000	346,000	205,000
Total Budget	<u>\$5,585,700</u>	<u>\$5,515,815</u>	<u>\$6,170,000</u>	<u>\$6,472,000</u>	<u>\$6,486,800</u>
POLICE COMMUNICATIONS					
<i>Personal Services/Benefits</i>	\$1,238,700	\$1,169,006	\$1,297,000	\$1,231,300	\$1,316,600
<i>Supplies</i>	12,400	10,623	4,900	4,900	4,900
<i>Repairs & Maintenance</i>	269,800	226,335	300,100	300,100	300,100
<i>Services</i>	267,900	181,482	267,900	274,900	271,500
<i>Transfers</i>	50,000	50,000	0	0	0
Total Budget	<u>\$1,838,800</u>	<u>\$1,637,446</u>	<u>\$1,869,900</u>	<u>\$1,811,200</u>	<u>\$1,893,100</u>











**FARMERS
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FIRE

The primary function and responsibility of the Fire Department is to protect lives and property from fire and to provide emergency medical assistance. The department consists of three divisions: Administration/Training, Operations and Fire Prevention. The department is responsible for fire suppression, emergency medical services, rescue operations, emergency management, fire safety inspections, public fire prevention education programs, code enforcement, building and site plan review, fire investigations, and training of personnel.

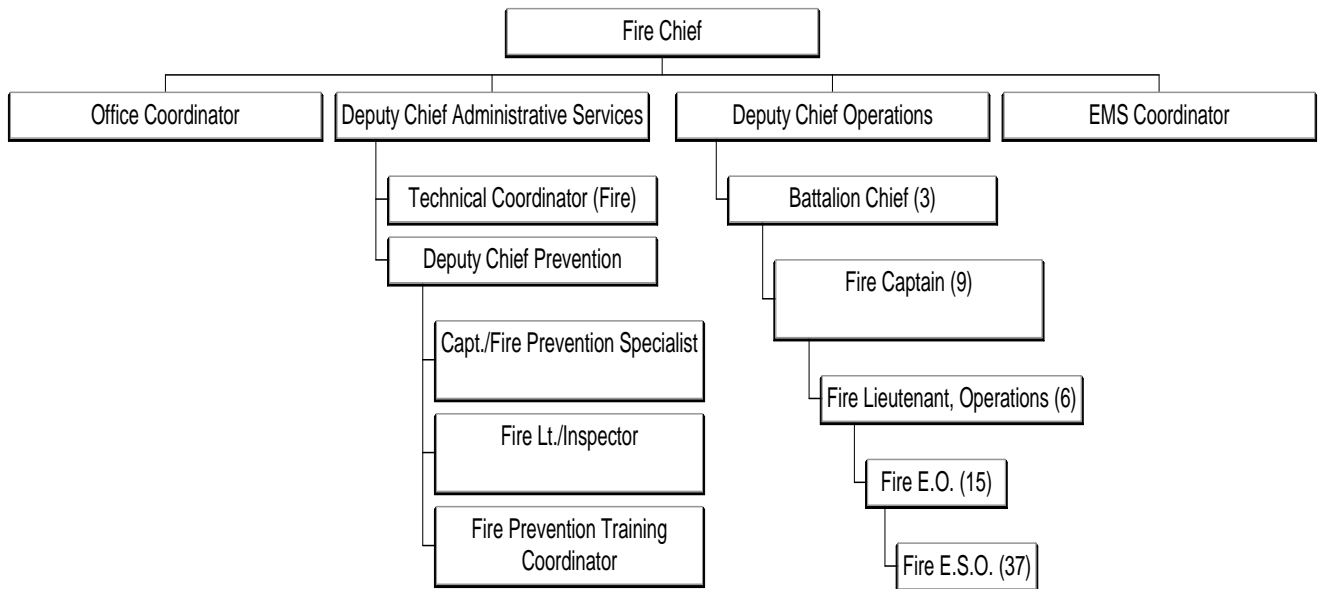
2007-08 OBJECTIVES

1. Complete construction and equipping of the new Fire Station No. 3 & Bob Phelps Fire Administration building and conduct a community grand opening ceremony. 
2. Complete the Fire Station No. 3 hiring process and have all required fire suppression staff in place by January 15, 2008. 
3. Attain Texas Commission on Fire Protection certification to serve as a level one training facility.
4. Facilitate a tabletop training exercise with all departments utilizing the Basic Emergency Management Plan focusing on National Incident Management System (NIMS) organizational principles.
5. Complete and submit the Insurance Service Office's fire protection survey to reflect fire protection improvements. 
6. Deliver a third Citizens Fire Academy class to 14 Farmers Branch residents. 
7. Adopt the 2006 International Fire Code.
8. Increase the frequency of fire inspections. 
9. Maintain emergency management training and operations program. 
10. Review and update programs, policies and procedures to meet community goals. 
11. Evaluate potential sites for the future relocation of Fire Station No. 1. 

BUDGET HIGHLIGHTS

1. Included funds for the purchase of a replacement ambulance for Fire Station No. 2.
2. Conduct Electron Beam Tomography (EBT) heart scans for all firefighters over the age of 40.
3. Included funds to staff a new paramedic engine company for Fire Station No. 3.

Fire



FIRE SUMMARY	YEAR-END				YEAR-END		% CHANGE FROM AMENDED BUDGET
	AMENDED		ADOPTED		AMENDED	ADOPTED	
	BUDGET 2005-06	ACTUAL 2005-06	BUDGET 2006-07		BUDGET 2006-07	BUDGET 2007-08	
<i>Personal Services/Benefits</i>	\$5,796,800	\$5,780,711	\$5,991,400		\$6,099,800	\$7,481,500	22.65%
<i>Supplies</i>	210,000	201,289	236,900		249,200	302,000	21.19%
<i>Repairs & Maintenance</i>	253,000	229,242	290,900		290,900	313,000	7.60%
<i>Services</i>	152,700	144,060	155,500		156,300	189,100	20.99%
<i>Transfers</i>	285,500	285,500	348,500		356,700	382,400	7.20%
Total Department Budget	<u>\$6,698,000</u>	<u>\$6,640,802</u>	<u>\$7,023,200</u>		<u>\$7,152,900</u>	<u>\$8,668,000</u>	<u>21.18%</u>

SUMMARY BUDGET CATEGORIES

	YEAR-END AMENDED BUDGET 2005-06	ACTUAL 2005-06	ADOPTED BUDGET 2006-07	YEAR-END AMENDED BUDGET 2006-07	ADOPTED BUDGET 2007-08
FIRE ADMINISTRATION					
<i>Personal Services/Benefits</i>	\$540,100	\$538,937	\$559,000	\$600,400	\$695,700
<i>Supplies</i>	40,500	39,087	33,600	35,900	44,300
<i>Repairs & Maintenance</i>	40,500	38,054	43,200	43,200	78,300
<i>Services</i>	47,200	41,492	50,000	50,800	56,200
<i>Transfers</i>	6,200	6,200	0	0	0
Total Budget	<u>\$674,500</u>	<u>\$663,770</u>	<u>\$685,800</u>	<u>\$730,300</u>	<u>\$874,500</u>
FIRE PREVENTION					
<i>Personal Services/Benefits</i>	\$338,200	\$338,576	\$377,400	\$384,500	\$400,900
<i>Supplies</i>	13,000	12,754	17,800	17,800	25,300
<i>Services</i>	8,400	7,828	11,700	11,700	11,300
<i>Transfers</i>	24,500	24,500	48,500	48,500	0
Total Budget	<u>\$384,100</u>	<u>\$383,658</u>	<u>\$455,400</u>	<u>\$462,500</u>	<u>\$437,500</u>
FIRE OPERATIONS					
<i>Personal Services/Benefits</i>	\$4,918,500	\$4,903,198	\$5,055,000	\$5,114,900	\$6,384,900
<i>Supplies</i>	156,500	149,448	185,500	195,500	232,400
<i>Repairs & Maintenance</i>	212,500	191,188	247,700	247,700	234,700
<i>Services</i>	97,100	94,740	93,800	93,800	121,600
<i>Transfers</i>	254,800	254,800	300,000	308,200	382,400
Total Budget	<u>\$5,639,400</u>	<u>\$5,593,374</u>	<u>\$5,882,000</u>	<u>\$5,960,100</u>	<u>\$7,356,000</u>



**FARMERS
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PARKS & RECREATION

The Parks and Recreation Department provides leisure, recreational and cultural activities for all ages at the community recreation center, Don Showman swimming pool, senior center, historical park, numerous athletic fields, and 28 area parks. The extensive maintenance and landscaping of the parks and medians contribute to the City's reputation as the "City in a Park" and its attainment as "Tree City USA."

The Parks & Recreation Administration Division is responsible for planning and directing the long-range and day-to-day activities of the department. Under the Administration Division, the Special Events Section is responsible for the planning and promotion of special events to promote family unity and community pride.

The Parks Maintenance Division is responsible for maintenance of parks, athletic fields, medians, and other City-owned or leased property. In addition, the division provides support and implementation of all City-sponsored special events and athletic tournaments.

The Recreation Division is responsible for implementing and maintaining year-round recreational and educational programs for all ages. Included with the day-to-day operation, is the planning and implementation of a variety of family oriented activities. The Athletic Section is responsible for youth and adult athletic programs. As a liaison between the City and athletic leagues, responsibilities include scheduling of the athletic facilities, securing tournaments that generate hotel room rentals, publicity for specific events, and working with the Economic Development & Tourism Office to coordinate needs for athletic tournaments.





The Aquatics Division is responsible for the safety of participants, water quality, overall pool maintenance, and water-related instruction.


The Senior Center Division facilitates use of the senior center. Programming for the center is designed to meet the needs of the senior population through activities for their social, mental, and physical well-being.

The Building Maintenance Division is responsible for the maintenance of City facilities. The division performs tasks from all facets of the building trade and supervises contractors working on City facilities.

The Historical Preservation Division is responsible for operating the historical park site, which is open for general public use seven days a week. The division is also responsible for preserving, collecting and interpreting the history of Texas with emphasis on Farmers Branch, as well as working to provide programming to enhance tourism.

2007-08 OBJECTIVES

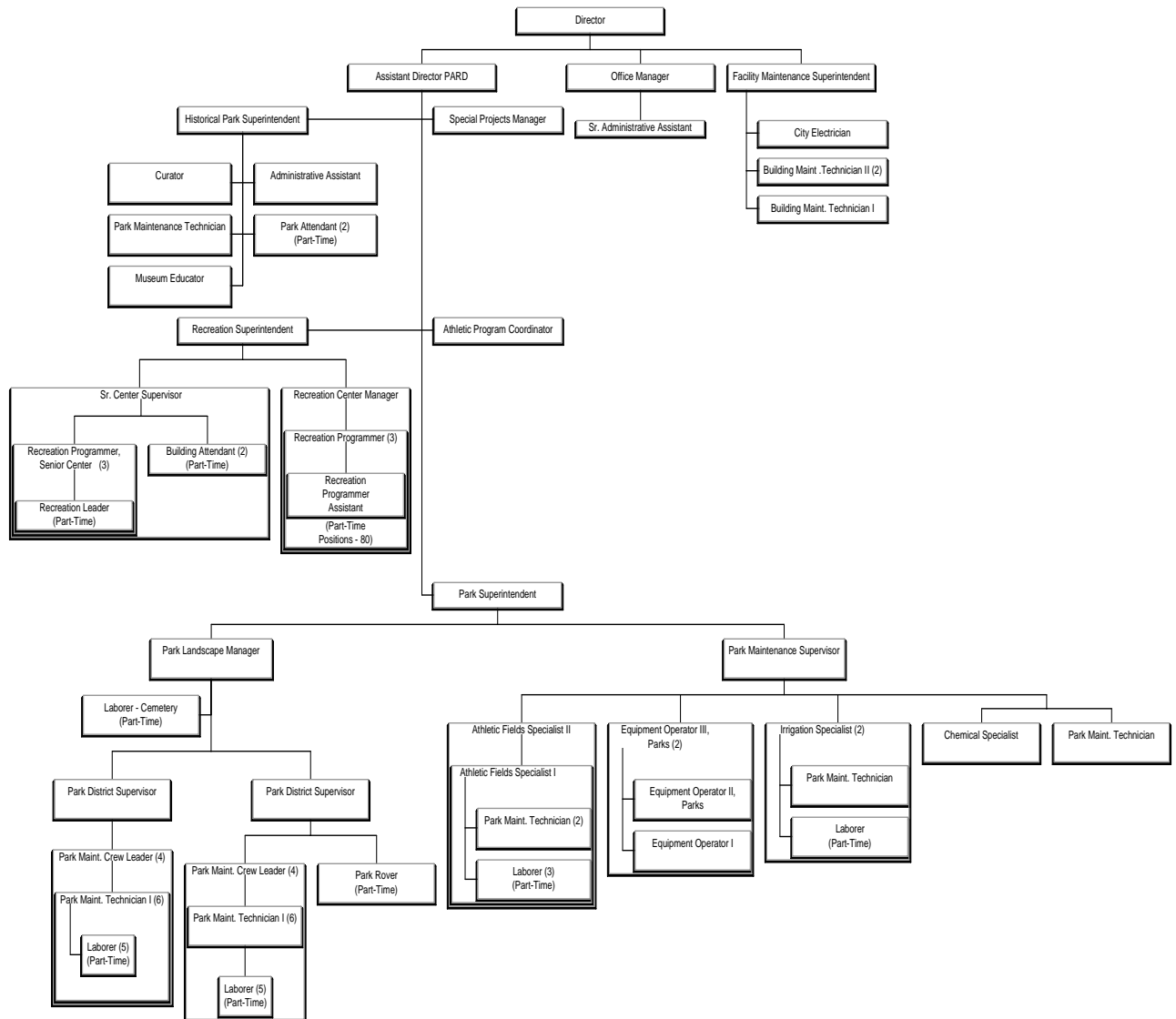
1. Continue to enhance, expand and develop the visibility of the park system through programming, marketing and beautification efforts. 
2. Continue aesthetic enhancements throughout the city. 
3. Begin master plan process for citywide trail system. 
4. Develop a signature event for Farmers Branch. 
5. Study and develop a plan to attract "Baby Boomers" to the senior center.
6. Complete the final phase (Phase IV) of asphalt track replacement at Farmers Branch Park.
7. Paint the second floor west wing offices at City Hall.
8. Resurface the fountain in the courtyard at City Hall.
9. Replace HVAC units at the Queen Anne Victorian Cottage and the City Hall computer server room.

10. Replace the roof and paint the interior of the Old Church at the historical park.
11. Upgrade publicity for community recreation center programs by mailing brochures to Farmers Branch residents annually. 
12. Formalize and implement new summer programs for teens at the community recreation center.

BUDGET HIGHLIGHTS

1. Included funding for a Dallas Symphony Orchestra concert at the historical park.
2. Included funding for an All-American Rose selection trial garden.
3. Included funding for replacement exercise equipment at the senior center.
4. Included funding for mailing the summer edition of the "Rec Scene" to all residents.

Parks & Recreation



PARKS & RECREATION SUMMARY	YEAR-END		YEAR-END		% CHANGE FROM AMENDED BUDGET	
	AMENDED		ADOPTED	AMENDED		ADOPTED
	BUDGET	ACTUAL	BUDGET	BUDGET		BUDGET
	2005-06	2005-06	2006-07	2006-07	2007-08	
<i>Personal Services/Benefits</i>	\$4,626,400	\$4,422,267	\$4,722,400	\$4,653,200	\$4,859,800	4.44%
<i>Purchased Prof & Tech Services</i>	10,400	10,013	10,400	10,400	10,400	0.00%
<i>Supplies</i>	554,200	525,426	614,900	632,000	632,300	0.05%
<i>Repairs & Maintenance</i>	794,200	781,957	807,100	867,900	825,300	-4.91%
<i>Services</i>	1,591,200	1,540,569	1,516,500	1,549,900	1,557,000	0.46%
<i>Christmas Activities</i>	121,300	114,915	121,300	121,300	118,200	-2.56%
<i>Transfers</i>	385,800	385,800	359,200	372,200	355,000	-4.62%
Total Department Budget	\$8,083,500	\$7,780,947	\$8,151,800	\$8,206,900	\$8,358,000	1.84%

SUMMARY BUDGET CATEGORIES

	YEAR-END AMENDED BUDGET 2005-06	ACTUAL 2005-06	ADOPTED BUDGET 2006-07	YEAR-END AMENDED BUDGET 2006-07	ADOPTED BUDGET 2007-08
PARKS & RECREATION ADMIN.					
<i>Personal Services/Benefits</i>	\$463,700	\$457,388	\$467,700	\$470,900	\$495,500
<i>Supplies</i>	15,100	14,667	15,200	15,200	15,300
<i>Repairs & Maintenance</i>	3,600	2,868	3,600	3,600	3,600
<i>Services</i>	42,500	38,094	41,600	41,600	41,600
<i>Transfers</i>	0	0	0	0	8,500
Total Budget	<u>\$524,900</u>	<u>\$513,017</u>	<u>\$528,100</u>	<u>\$531,300</u>	<u>\$564,500</u>
BUILDING MAINTENANCE					
<i>Personal Services/Benefits</i>	\$382,700	\$343,563	\$384,800	\$388,800	\$410,800
<i>Supplies</i>	8,100	5,027	8,000	8,000	9,000
<i>Repairs & Maintenance</i>	63,400	52,933	65,400	65,400	65,400
<i>Services</i>	563,900	556,009	572,100	572,100	572,100
<i>Transfers</i>	24,500	24,500	13,000	37,000	0
Total Budget	<u>\$1,042,600</u>	<u>\$982,032</u>	<u>\$1,043,300</u>	<u>\$1,071,300</u>	<u>\$1,057,300</u>
PARK MAINTENANCE					
<i>Personal Services/Benefits</i>	\$2,229,000	\$2,189,766	\$2,304,300	\$2,267,300	\$2,378,300
<i>Purchased Prof & Tech Services</i>	10,400	10,013	10,400	10,400	10,400
<i>Supplies</i>	295,800	281,820	312,000	312,000	319,000
<i>Repairs & Maintenance</i>	635,100	636,361	637,500	687,500	637,500
<i>Services</i>	537,100	526,379	450,100	450,100	459,100
<i>Transfers</i>	337,300	337,300	222,700	222,700	346,500
Total Budget	<u>\$4,044,700</u>	<u>\$3,981,639</u>	<u>\$3,937,000</u>	<u>\$3,950,000</u>	<u>\$4,150,800</u>
RECREATION					
<i>Personal Services/Benefits</i>	\$1,114,500	\$1,015,658	\$1,121,700	\$1,078,800	\$1,114,500
<i>Supplies</i>	168,400	162,167	197,700	202,000	198,200
<i>Repairs & Maintenance</i>	36,100	34,397	46,900	52,300	52,300
<i>Services</i>	301,100	293,804	306,100	306,100	308,000
<i>Transfers</i>	0	0	26,500	26,500	0
Total Budget	<u>\$1,620,100</u>	<u>\$1,506,026</u>	<u>\$1,698,900</u>	<u>\$1,665,700</u>	<u>\$1,673,000</u>
SWIMMING POOL					
<i>Personal Services/Benefits</i>	\$109,700	\$97,483	\$113,000	\$111,000	\$114,400
<i>Supplies</i>	18,900	18,595	18,900	31,700	21,800
<i>Repairs & Maintenance</i>	20,200	20,064	20,200	25,600	33,000
<i>Services</i>	32,400	37,387	32,400	42,800	39,000
<i>Transfers</i>	0	0	11,000	0	0
Total Budget	<u>\$181,200</u>	<u>\$173,529</u>	<u>\$195,500</u>	<u>\$211,100</u>	<u>\$208,200</u>

SUMMARY BUDGET CATEGORIES

	YEAR-END AMENDED BUDGET 2005-06	ACTUAL 2005-06	ADOPTED BUDGET 2006-07	YEAR-END AMENDED BUDGET 2006-07	ADOPTED BUDGET 2007-08
SENIOR CENTER					
<i>Personal Services/Benefits</i>	\$307,700	\$302,586	\$311,800	\$316,400	\$325,400
<i>Supplies</i>	47,900	43,150	63,100	63,100	69,000
<i>Repairs & Maintenance</i>	35,800	35,334	33,500	33,500	33,500
<i>Services</i>	83,700	73,759	83,700	106,700	106,700
<i>Transfers</i>	24,000	24,000	86,000	86,000	0
Total Budget	<u>\$499,100</u>	<u>\$478,829</u>	<u>\$578,100</u>	<u>\$605,700</u>	<u>\$534,600</u>
PARK BOARD					
<i>Services</i>	<u>\$10,600</u>	<u>\$5,672</u>	<u>\$10,600</u>	<u>\$10,600</u>	<u>\$10,600</u>
Total Budget	<u>\$10,600</u>	<u>\$5,672</u>	<u>\$10,600</u>	<u>\$10,600</u>	<u>\$10,600</u>
SENIOR ADVISORY BOARD					
<i>Services</i>	<u>\$9,400</u>	<u>\$3,915</u>	<u>\$9,400</u>	<u>\$9,400</u>	<u>\$9,400</u>
Total Budget	<u>\$9,400</u>	<u>\$3,915</u>	<u>\$9,400</u>	<u>\$9,400</u>	<u>\$9,400</u>
CHRISTMAS					
<i>Personal Services/Benefits</i>	\$19,100	\$15,823	\$19,100	\$20,000	\$20,900
<i>Services</i>	10,500	5,550	10,500	10,500	10,500
<i>Christmas</i>	121,300	114,915	121,300	121,300	118,200
Total Budget	<u>\$150,900</u>	<u>\$136,288</u>	<u>\$150,900</u>	<u>\$151,800</u>	<u>\$149,600</u>



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LIBRARY

The responsibility of the Library Department is to select, organize, provide, and distribute printed and audiovisual materials for residents of the City; to encourage the use of these materials by residents for their informational, educational and recreational needs; to serve as a cultural center for the city; and, to promote the maximum use of the facility and its services. The library also strives to ensure that information is available to residents in electronic format.

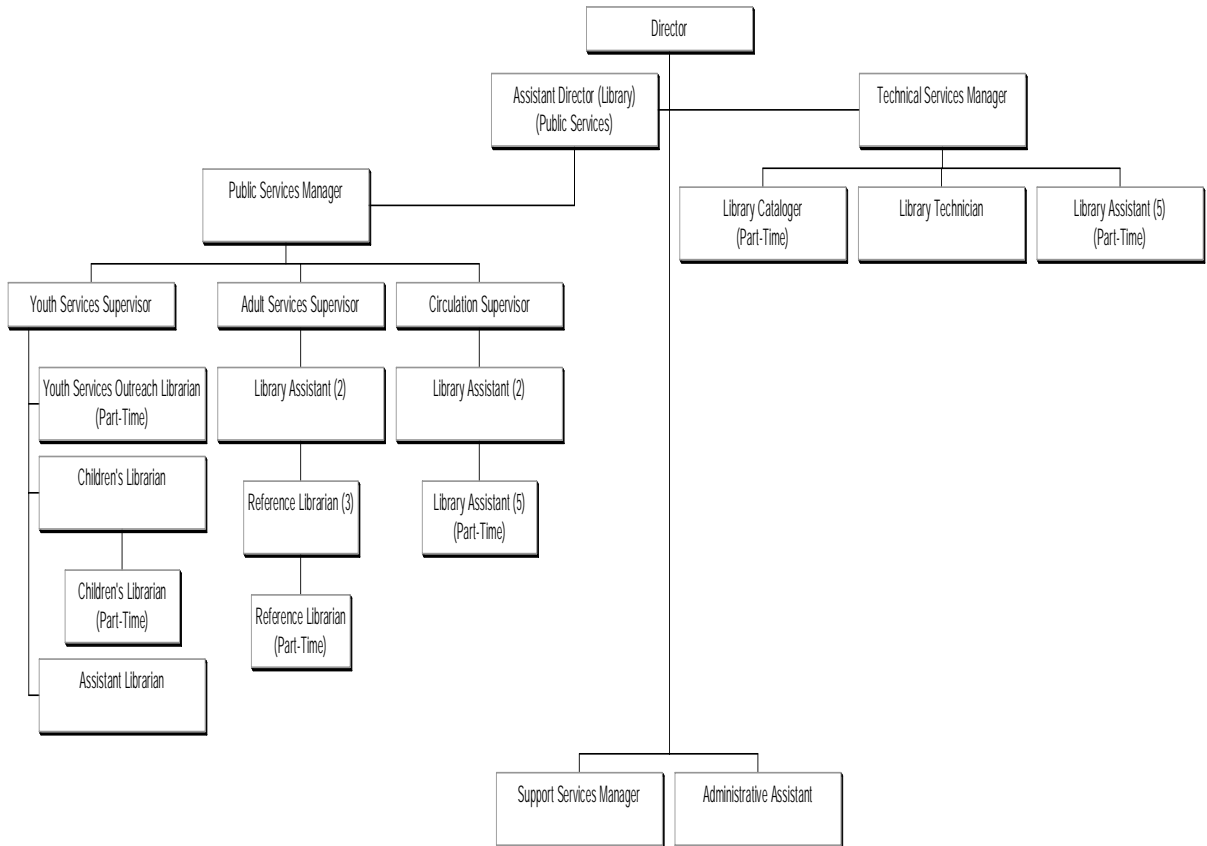
2007-08 OBJECTIVES

1. Continue to improve the facility by replacing air conditioning units. Replacement of the units will decrease electricity costs and address complaints received from the public about uneven temperatures. 🏛️
2. Offer access to online test preparation and sample tests for college entrance exams and professional license and certification testing. 🏛️
3. Continue the Rosetta Stone Online Language Learning Center pilot program begun by the Friends of the Library to provide access to online foreign language classes in English, French, German, Spanish, and Vietnamese. These languages have proven to be the most popular in the collection. The CD software added two years ago is constantly being checked out and the online service will eliminate waiting times. 🏛️
4. Update the juvenile non-fiction collection in the areas of pets, math and science and review and update the juvenile easy readers collection.
5. Analyze and update the young adult non-fiction collection.
6. Review the adult reference section for relevancy and analyze for redundancy in print and non-print areas.
7. Update the adult non-fiction areas of religion and economics.
8. Review and update the adult large type collection to ensure it meets the needs of the senior community.

BUDGET HIGHLIGHTS

1. Includes plans to expand the online database collection to include online test preparation and provide access to the Rosetta Stone Online Language Learning Center, currently a pilot program.
2. Includes plans to begin annual adult programming in partnership with Brookhaven Community College and the Manske Library Writers Association.

Library



LIBRARY SUMMARY	YEAR-END		ADOPTED		YEAR-END		% CHANGE FROM AMENDED BUDGET
	AMENDED		BUDGET		AMENDED		
	BUDGET	ACTUAL	BUDGET		BUDGET	BUDGET	
	2005-06	2005-06	2006-07		2006-07	2007-08	
<i>Personal Services/Benefits</i>	\$1,212,100	\$1,178,741	\$1,289,900		\$1,289,500	\$1,349,600	4.66%
<i>Supplies</i>	96,100	95,292	109,600		153,000	109,400	-28.50%
<i>Repairs & Maintenance</i>	26,500	27,136	36,500		38,800	35,200	-9.28%
<i>Services</i>	169,200	148,271	153,400		158,500	155,700	-1.77%
<i>Transfers</i>	244,600	244,600	198,900		200,600	260,200	29.71%
Total Department Budget	\$1,748,500	\$1,694,040	\$1,788,300		\$1,840,400	\$1,910,100	3.79%

WATER & SEWER FUND REVENUE SUMMARY

	ACTUAL 2005-06	ADOPTED BUDGET 2006-07	YEAR-END AMENDED BUDGET 2006-07	ADOPTED BUDGET 2007-08	PERCENT OF BUDGET
<u>INTEREST</u>					
INTEREST	\$151,126	\$96,000	\$160,000	\$220,000	1.65%
SUB-TOTAL	<u>\$151,126</u>	<u>\$96,000</u>	<u>\$160,000</u>	<u>\$220,000</u>	<u>1.65%</u>
<u>MISCELLANEOUS</u>					
RECONNECTS/SERVICE CHARGE	\$23,110	\$28,000	\$28,000	\$28,000	0.21%
LATE FEES	83,487	60,000	60,000	60,000	0.45%
MISCELLANEOUS	2,840	2,800	2,800	2,800	0.02%
SUB-TOTAL	<u>\$109,437</u>	<u>\$90,800</u>	<u>\$90,800</u>	<u>\$90,800</u>	<u>0.68%</u>
<u>WATER/SEWER SALES</u>					
WATER SALES	\$11,255,879	\$9,461,200	\$8,540,900	\$9,461,200	71.10%
SEWER SERVICE	3,935,284	3,490,400	3,540,000	3,490,400	26.23%
ADDISON SEWER	17,948	18,000	18,000	18,000	0.14%
TAPPING FEES	5,525	2,000	2,000	2,000	0.02%
BACKFLOW PROGRAM	31,265	25,000	25,000	25,000	0.19%
SUB-TOTAL	<u>\$15,245,901</u>	<u>\$12,996,600</u>	<u>\$12,125,900</u>	<u>\$12,996,600</u>	<u>97.66%</u>
 GRAND TOTAL	 <u><u>\$15,506,464</u></u>	 <u><u>\$13,183,400</u></u>	 <u><u>\$12,376,700</u></u>	 <u><u>\$13,307,400</u></u>	 <u><u>100.00%</u></u>

WATER & SEWER FUND EXPENDITURE SUMMARY

	ACTUAL 2005-06	ADOPTED BUDGET 2006-07	YEAR-END AMENDED BUDGET 2006-07	ADOPTED BUDGET 2007-08	PERCENT OF BUDGET
<u>WATER & SEWER</u>					
ADMINISTRATION	\$2,387,362	\$2,566,100	\$2,394,100	\$2,734,000	19.31%
OPERATIONS	10,111,817	11,210,700	10,644,500	11,427,000	80.69%
SUB-TOTAL	<u>\$12,499,179</u>	<u>\$13,776,800</u>	<u>\$13,038,600</u>	<u>\$14,161,000</u>	<u>100.00%</u>
 TOTAL OPERATING	 <u><u>\$12,499,179</u></u>	 <u><u>\$13,776,800</u></u>	 <u><u>\$13,038,600</u></u>	 <u><u>\$14,161,000</u></u>	 <u><u>100.00%</u></u>
 <u>SPECIAL EXPENDITURES</u>					
TRANSFER TO CIP	\$0	\$1,000,000	\$1,000,000	\$0	0.00%
REDEVELOPMENT & REVITALIZATION	0	1,000,000	0	0	0.00%
SUB-TOTAL	<u>\$0</u>	<u>\$2,000,000</u>	<u>\$1,000,000</u>	<u>\$0</u>	<u>0.00%</u>
 GRAND TOTAL	 <u><u>\$12,499,179</u></u>	 <u><u>\$15,776,800</u></u>	 <u><u>\$14,038,600</u></u>	 <u><u>\$14,161,000</u></u>	 <u><u>100.00%</u></u>

PUBLIC WORKS

The Public Works Department is comprised of five divisions: Administration, Solid Waste Collection, Street Maintenance, Water & Sewer Administration, and Water & Sewer Operations.

The Administration Division provides the planning, direction and control of the daily operations for all divisions within the department.









The Solid Waste Collection Division inspects, observes and monitors contractor operations at the sanitary landfill, which is operated by a private corporation through a management and operations agreement. This facility is operated in compliance with the Texas Commission on Environmental Quality rules and regulations. This division provides collection and disposal of all municipal solid waste from City properties and special events. This division also provides twice per week residential sanitation collection and once per week brush and bulky item collection. The division operates a limited Citizen Collection Center at 1399 Valley View Lane for residents for the disposal of normal residential debris and recycling materials. Recycling materials may also be taken to drop-off points located at the Don Showman Park and the Oran Good Park parking lots. Acceptable recycling materials include: aluminum, clear glass, newspaper, Type 2 plastic, and two liter (Type 1) plastic soft drink bottles.

The Street Maintenance Division provides concrete and asphalt street maintenance, severe weather response, street sweeping, crack sealing, storm water drainage facility maintenance, sign replacement and repair, street striping, traffic button installation and replacement, barricade maintenance, sidewalk repairs, pavement repairs for utility cuts and water main replacement, and an annual street resurfacing program.

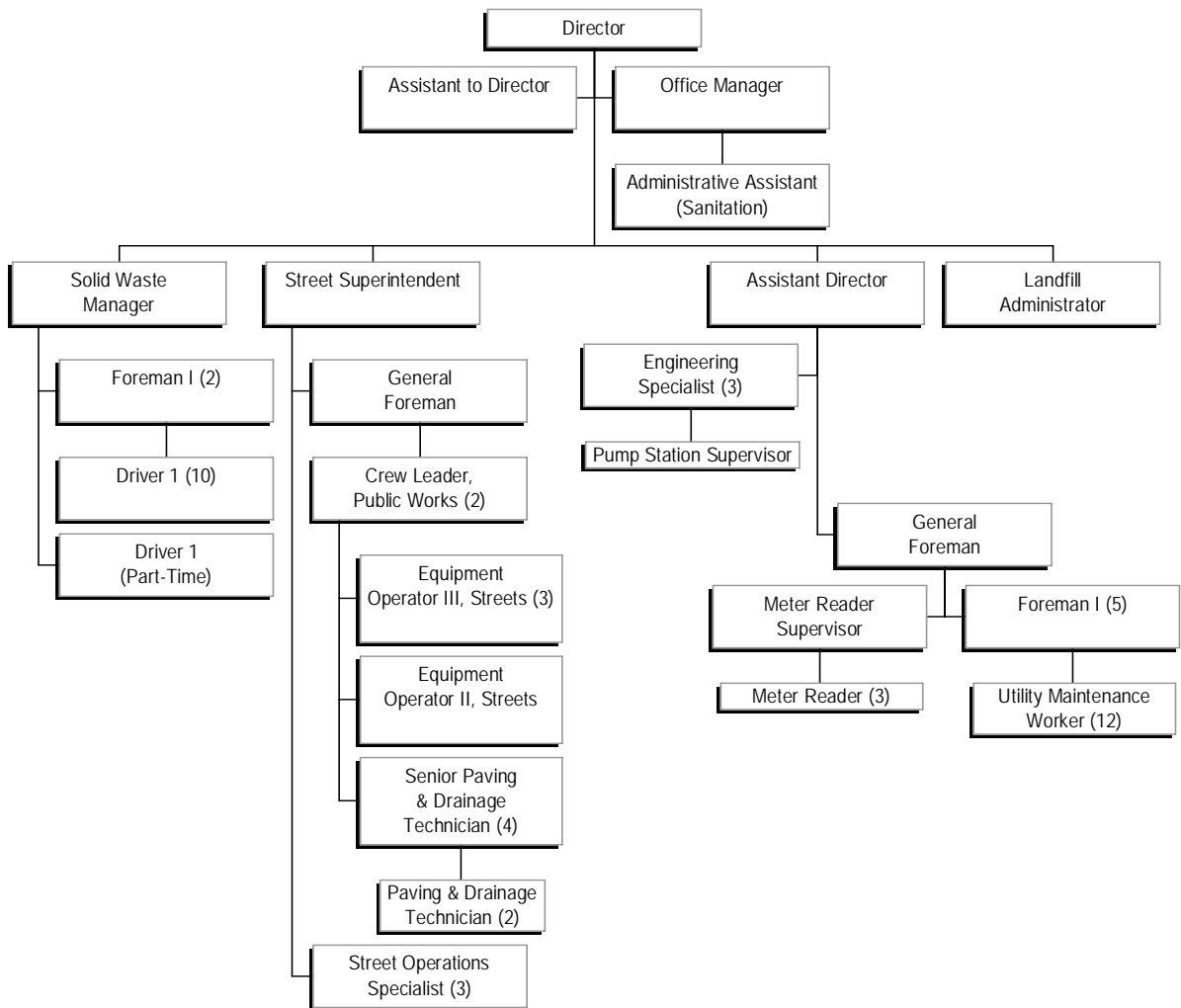
The Water & Sewer Administration Division provides the planning, direction and control of the daily utility operations.

The Water & Sewer Operations Division provides water and sewer service, main repairs, valve operation, service line maintenance, fire hydrant maintenance, plant operation, water meter reading and repairs, and improvements to the water and sewer system.

2007-08 OBJECTIVES

1. Implement Phase II Storm Water Management Program plan. 
2. Complete format changes on street signs. 
3. Implement a household hazardous waste collection event for citizens. 
4. Examine the long-term solid waste disposal plan with the main emphasis being the expansion of the landfill. 
5. Examine the demand for the current recycling program as well as other potential reuse or recycling opportunities. 
6. Continue the transition plan for front curb pickup and fleet conversion. 
7. Implement the proposal for the conversion of the landfill gas-to-energy system.
8. Implement the network based SCADA system for water and sewer operations.
9. Develop a comprehensive Inflow and Infiltration Program (I & I) to identify issues in the sewer system. 
10. Develop an implementation plan with consideration of the completed efficiency study for the water distribution system. 
11. Develop a procedures and operations guide to delineate administrative functions within the department.

Public Works



WATER & SEWER SUMMARY	YEAR-END		YEAR-END		% CHANGE FROM AMENDED BUDGET	
	AMENDED		ADOPTED	AMENDED		
	BUDGET	ACTUAL	BUDGET	BUDGET		
	2005-06	2005-06	2006-07	2006-07	2007-08	
<i>Personal Services/Benefits</i>	\$1,892,700	\$1,601,471	\$1,941,300	\$1,726,800	\$1,986,500	15.04%
<i>Supplies</i>	153,300	143,425	164,200	164,000	272,500	66.16%
<i>Repairs & Maintenance</i>	489,900	439,276	494,900	515,100	533,000	3.48%
<i>Services</i>	405,200	403,445	409,400	408,500	426,600	4.43%
<i>Production & Disposal</i>	6,405,200	6,190,156	6,784,500	6,239,700	6,625,700	6.19%
<i>Other Objects</i>	130,000	85,106	130,000	107,800	40,000	-62.89%
<i>Transfers</i>	3,636,300	3,636,300	3,852,500	3,876,700	4,276,700	10.32%
Total Department Budget	\$13,112,600	\$12,499,179	\$13,776,800	\$13,038,600	\$14,161,000	8.61%

SUMMARY BUDGET CATEGORIES

	YEAR-END AMENDED BUDGET 2005-06	ACTUAL 2005-06	ADOPTED BUDGET 2006-07	YEAR-END AMENDED BUDGET 2006-07	ADOPTED BUDGET 2007-08
WATER & SEWER ADMIN.					
<i>Personal Services/Benefits</i>	\$91,000	\$63,207	\$168,100	\$500	\$130,400
<i>Supplies</i>	59,600	59,101	66,200	66,000	69,400
<i>Repairs & Maintenance</i>	3,800	3,648	4,200	2,200	4,600
<i>Services</i>	8,400	24,229	15,100	12,900	24,600
<i>Production & Disposal</i>	14,300	11,877	20,500	20,500	14,800
<i>Transfers</i>	2,225,300	2,225,300	2,292,000	2,292,000	2,490,200
Total Budget	<u>\$2,402,400</u>	<u>\$2,387,362</u>	<u>\$2,566,100</u>	<u>\$2,394,100</u>	<u>\$2,734,000</u>

WATER & SEWER OPERATIONS					
<i>Personal Services/Benefits</i>	\$1,801,700	\$1,538,264	\$1,773,200	\$1,726,300	\$1,856,100
<i>Supplies</i>	93,700	84,324	98,000	98,000	203,100
<i>Repairs & Maintenance</i>	486,100	435,628	490,700	512,900	528,400
<i>Services</i>	396,800	379,216	394,300	395,600	402,000
<i>Production & Disposal</i>	6,390,900	6,178,279	6,764,000	6,219,200	6,610,900
<i>Other Objects</i>	130,000	85,106	130,000	107,800	40,000
<i>Transfers</i>	1,411,000	1,411,000	1,560,500	1,584,700	1,786,500
Total Budget	<u>\$10,710,200</u>	<u>\$10,111,817</u>	<u>\$11,210,700</u>	<u>\$10,644,500</u>	<u>\$11,427,000</u>



**FARMERS
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INTERNAL SERVICE FUND REVENUE SUMMARY

	ACTUAL 2005-06	ADOPTED BUDGET 2006-07	YEAR-END AMENDED BUDGET 2006-07	ADOPTED BUDGET 2007-08	PERCENT OF BUDGET
<u>INTERNAL SERVICE</u>					
EQUIPMENT SERVICES	\$1,948,527	\$1,411,200	\$1,496,200	\$1,463,900	72.33%
SUB-TOTAL	<u>\$1,948,527</u>	<u>\$1,411,200</u>	<u>\$1,496,200</u>	<u>\$1,463,900</u>	<u>72.33%</u>
<u>WORKERS' COMPENSATION</u>					
WORKERS' COMPENSATION	\$562,360	\$560,000	\$560,000	\$560,000	27.67%
SUB-TOTAL	<u>\$562,360</u>	<u>\$560,000</u>	<u>\$560,000</u>	<u>\$560,000</u>	<u>27.67%</u>
GRAND TOTAL	<u><u>\$2,510,887</u></u>	<u><u>\$1,971,200</u></u>	<u><u>\$2,056,200</u></u>	<u><u>\$2,023,900</u></u>	<u><u>100.00%</u></u>








INTERNAL SERVICE FUND EXPENDITURE SUMMARY

	ACTUAL 2005-06	ADOPTED BUDGET 2006-07	YEAR-END AMENDED BUDGET 2006-07	ADOPTED BUDGET 2007-08	PERCENT OF BUDGET
<u>EQUIPMENT SERVICES</u>					
FLEET MAINTENANCE	\$982,111	\$1,203,300	\$1,330,800	\$1,318,200	70.18%
SUB-TOTAL	<u>\$982,111</u>	<u>\$1,203,300</u>	<u>\$1,330,800</u>	<u>\$1,318,200</u>	<u>70.18%</u>
<u>WORKERS' COMPENSATION</u>					
WORKERS' COMPENSATION	\$509,488	\$560,000	\$560,000	\$560,000	29.82%
SUB-TOTAL	<u>\$509,488</u>	<u>\$560,000</u>	<u>\$560,000</u>	<u>\$560,000</u>	<u>29.82%</u>
GRAND TOTAL	<u><u>\$1,491,599</u></u>	<u><u>\$1,763,300</u></u>	<u><u>\$1,890,800</u></u>	<u><u>\$1,878,200</u></u>	<u><u>100.00%</u></u>

EQUIPMENT SERVICES

The Equipment Services Department maintains and repairs all City vehicles and equipment and stocks materials and supplies for the City's operating departments. This department also manages the Senlac Service Center. The departmental goals are to provide the highest level of service at the lowest possible cost by designing and implementing sound management techniques and policies while maintaining a well-trained work force.

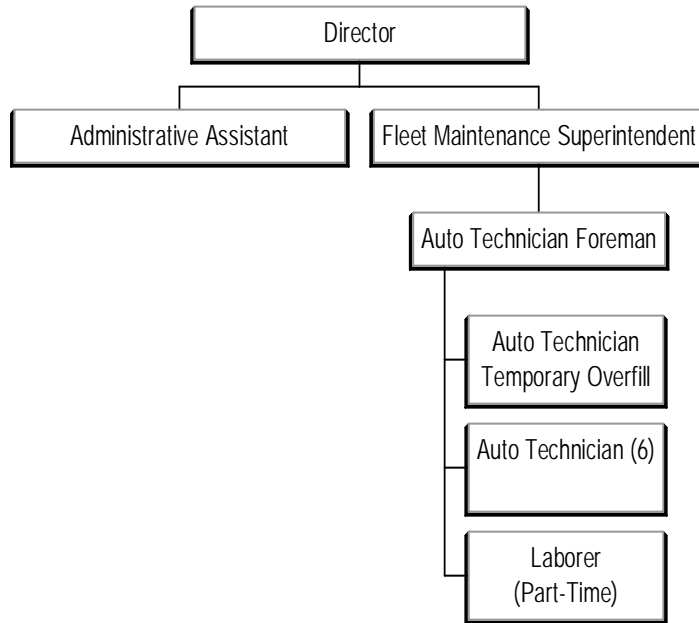
2007-2008 OBJECTIVES

1. Research the development of a new service center. 
2. Install a 12,000-gallon fuel storage tank at the Senlac Service Center for future storage requirements of alternative fuels and additional capacity for emergency generator operation. This project was deferred from the 2006-07 fiscal year.
3. Submit a formal vehicle replacement policy for approval and incorporate into fleet policy and procedures manual.
4. Present a progress report on NAPA warehouse operations with goal of contract renewal in December 2008. 
5. Purchase state inspection machine, certify technicians and perform vehicle and equipment state inspections in-house. 
6. Review department operating costs, revise shop labor rate structure and incorporate competitive flat rate charges for common service procedures. 
7. Develop acceptable long-term solutions to security issues at the Senlac Service Center for both employee and equipment parking and storage areas and incorporate solutions in late 2007-08 or in fiscal year 2008-09.
8. Develop formal service level agreements to be accepted and signed by all operating departments. 
9. Research and present results concerning a motor pool operation with the fleet's construction equipment. 
10. Pursue in-source work from outside entities as a supplemental revenue source. 

BUDGET HIGHLIGHTS

1. Included funds for repairs and maintenance to the Senlac Service Center.
2. Included funds for a fuel storage tank deferred from the 2006-07 fiscal year budget.
3. Included funds for a forklift and upgrading of shop tools and equipment.

Equipment Services



EQUIPMENT SERVICES SUMMARY	YEAR-END		ADOPTED BUDGET 2006-07	YEAR-END		% CHANGE FROM AMENDED BUDGET
	AMENDED	ACTUAL		AMENDED	ADOPTED	
	BUDGET 2005-06			BUDGET 2006-07	BUDGET 2007-08	
<i>Personal Services/Benefits</i>	\$742,400	\$720,062	\$776,700	\$881,100	\$813,200	-7.71%
<i>Supplies</i>	33,600	24,948	45,200	49,500	39,400	-20.40%
<i>Repairs & Maintenance</i>	45,000	34,614	46,700	49,200	56,900	15.65%
<i>Services</i>	165,900	159,487	171,700	184,700	178,700	-3.25%
<i>Transfers</i>	43,000	43,000	163,000	166,300	230,000	38.30%
Total Department Budget	\$1,029,900	\$982,111	\$1,203,300	\$1,330,800	\$1,318,200	-0.95%

WORKERS' COMPENSATION

The Workers' Compensation Fund is used to account for the City's workers' compensation self insurance plan.

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has established a Workers' Compensation Fund (an Internal Service Fund) to account for workers' compensation uninsured risks of loss. Under this program, the Workers' Compensation Fund provides coverage for up to a maximum of \$350,000 for each workers' compensation occurrence claim. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The costs associated with this self-insurance plan are reported as interfund transactions. Accordingly, they are treated as operating revenues of the Workers' Compensation Fund and operating expenditures (expenses) of the other funds. Claims payable include provisions for claims reported and claims incurred, but not yet reported. The provision for reported claims is computed by the City's third party administrator based upon standard actuarial principles. The provision for claims incurred, but not yet reported is estimated based on the City's experience and an actuarial study that was performed during fiscal year 2007. State law provides that the City is relieved of liability if a notice of employee injury is not received within 30 days of the date on which the injury occurs.

WORKERS' COMPENSATION SUMMARY	YEAR-END AMENDED BUDGET 2005-06	ACTUAL 2005-06	ADOPTED BUDGET 2006-07	YEAR-END AMENDED BUDGET 2006-07	ADOPTED BUDGET 2007-08	% CHANGE FROM AMENDED BUDGET
<i>Internal Service</i>						
<i>Current Year Claims</i>	\$429,000	\$403,742	\$429,000	\$429,000	\$429,000	0.00%
<i>Catastrophic Reinsurance</i>	131,000	105,746	131,000	131,000	131,000	0.00%
Total Internal Service	<u>\$560,000</u>	<u>\$509,488</u>	<u>\$560,000</u>	<u>\$560,000</u>	<u>\$560,000</u>	<u>0.00%</u>

HOTEL/MOTEL FUND REVENUE SUMMARY

	ACTUAL 2005-06	ADOPTED BUDGET 2006-07	YEAR-END AMENDED BUDGET 2006-07	ADOPTED BUDGET 2007-08	PERCENT OF BUDGET
<u>OTHER TAXES</u>					
HOTEL/MOTEL TAX	\$2,249,499	\$2,300,000	\$2,300,000	\$2,300,000	93.85%
SUB-TOTAL	<u>\$2,249,499</u>	<u>\$2,300,000</u>	<u>\$2,300,000</u>	<u>\$2,300,000</u>	<u>93.85%</u>
<u>INTEREST</u>					
INTEREST	\$112,664	\$37,500	\$120,000	\$120,000	4.90%
RENTS	0	0	0	6,500	0.27%
SUB-TOTAL	<u>\$112,664</u>	<u>\$37,500</u>	<u>\$120,000</u>	<u>\$126,500</u>	<u>5.16%</u>
<u>SPECIAL REVENUES</u>					
MISCELLANEOUS	\$15,348	\$24,300	\$24,300	\$24,300	0.99%
SUB-TOTAL	<u>\$15,348</u>	<u>\$24,300</u>	<u>\$24,300</u>	<u>\$24,300</u>	<u>0.99%</u>
GRAND TOTAL	<u><u>\$2,377,511</u></u>	<u><u>\$2,361,800</u></u>	<u><u>\$2,444,300</u></u>	<u><u>\$2,450,800</u></u>	<u><u>100.00%</u></u>

HOTEL/MOTEL FUND EXPENDITURE SUMMARY

	ACTUAL 2005-06	ADOPTED BUDGET 2006-07	YEAR-END AMENDED BUDGET 2006-07	ADOPTED BUDGET 2007-08	PERCENT OF BUDGET
<u>HISTORICAL PRESERVATION/SPECIAL EVENTS</u>					
PARK & SPECIAL EVENTS	\$645,886	\$686,900	\$688,800	\$778,100	31.73%
HISTORICAL BOARD	8,626	10,300	10,300	10,300	0.42%
SUB-TOTAL	<u>\$654,512</u>	<u>\$697,200</u>	<u>\$699,100</u>	<u>\$788,400</u>	<u>32.15%</u>
<u>PROMOTION OF TOURISM</u>					
STAFF SUPPORT OF TOURISM	<u>\$330,536</u>	<u>\$388,900</u>	<u>\$408,500</u>	<u>\$434,900</u>	<u>17.73%</u>
SUB-TOTAL	<u>\$330,536</u>	<u>\$388,900</u>	<u>\$408,500</u>	<u>\$434,900</u>	<u>17.73%</u>
MARKETING	<u>\$597,259</u>	<u>\$664,600</u>	<u>\$671,100</u>	<u>\$702,300</u>	<u>28.64%</u>
SUB-TOTAL	<u>\$597,259</u>	<u>\$664,600</u>	<u>\$671,100</u>	<u>\$702,300</u>	<u>28.64%</u>
TOTAL	<u>\$927,795</u>	<u>\$1,053,500</u>	<u>\$1,079,600</u>	<u>\$1,137,200</u>	<u>46.37%</u>
<u>CONVENTION CENTER</u>					
CONVENTION	<u>\$522,623</u>	<u>\$572,600</u>	<u>\$540,900</u>	<u>\$526,800</u>	<u>21.48%</u>
SUB-TOTAL	<u>\$522,623</u>	<u>\$572,600</u>	<u>\$540,900</u>	<u>\$526,800</u>	<u>21.48%</u>
TOTAL OPERATING	<u><u>\$2,104,930</u></u>	<u><u>\$2,323,300</u></u>	<u><u>\$2,319,600</u></u>	<u><u>\$2,452,400</u></u>	<u><u>100.00%</u></u>
<u>SPECIAL EXPENDITURES</u>					
TRANSFER TO DEBT SERVICE	<u>\$0</u>	<u>\$1,000,000</u>	<u>\$926,200</u>	<u>\$0</u>	<u>0.00%</u>
SUB-TOTAL	<u>\$0</u>	<u>\$1,000,000</u>	<u>\$926,200</u>	<u>\$0</u>	<u>0.00%</u>
GRAND TOTAL	<u><u>\$2,104,930</u></u>	<u><u>\$3,323,300</u></u>	<u><u>\$3,245,800</u></u>	<u><u>\$2,452,400</u></u>	<u><u>100.00%</u></u>

PARKS & RECREATION

The Parks and Recreation Department provides leisure, recreational and cultural activities for all ages at the community recreation center, Don Showman swimming pool, senior center, historical park, numerous athletic fields, and 28 area parks. The extensive maintenance and landscaping of the parks and medians contribute to the City's reputation as the "City in a Park" and its attainment as "Tree City USA."

The Parks & Recreation Administration Division is responsible for planning and directing the long-range and day-to-day activities of the department. Under the Administration Division, the Special Events Section is responsible for the planning and promotion of special events to promote family unity and community pride.

The Parks Maintenance Division is responsible for maintenance of parks, athletic fields, medians, and other City-owned or leased property. In addition, the division provides support and implementation of all City-sponsored special events and athletic tournaments.

The Recreation Division is responsible for implementing and maintaining year-round recreational and educational programs for all ages. Included with the day-to-day operation, is the planning and implementation of a variety of family oriented activities. The Athletic Section is responsible for youth and adult athletic programs. As a liaison between the City and athletic leagues, responsibilities include scheduling of the athletic facilities, securing tournaments that generate hotel room rentals, publicity for specific events, and working with the Economic Development & Tourism Office to coordinate needs for athletic tournaments.





The Aquatics Division is responsible for the safety of participants, water quality, overall pool maintenance, and water-related instruction.


The Senior Center Division facilitates use of the senior center. Programming for the center is designed to meet the needs of the senior population through activities for their social, mental, and physical well-being.

The Building Maintenance Division is responsible for the maintenance of City facilities. The division performs tasks from all facets of the building trade and supervises contractors working on City facilities.

The Historical Preservation Division is responsible for operating the historical park site, which is open for general public use seven days a week. The division is also responsible for preserving, collecting and interpreting the history of Texas with emphasis on Farmers Branch, as well as working to provide programming to enhance tourism.

2007-08 OBJECTIVES

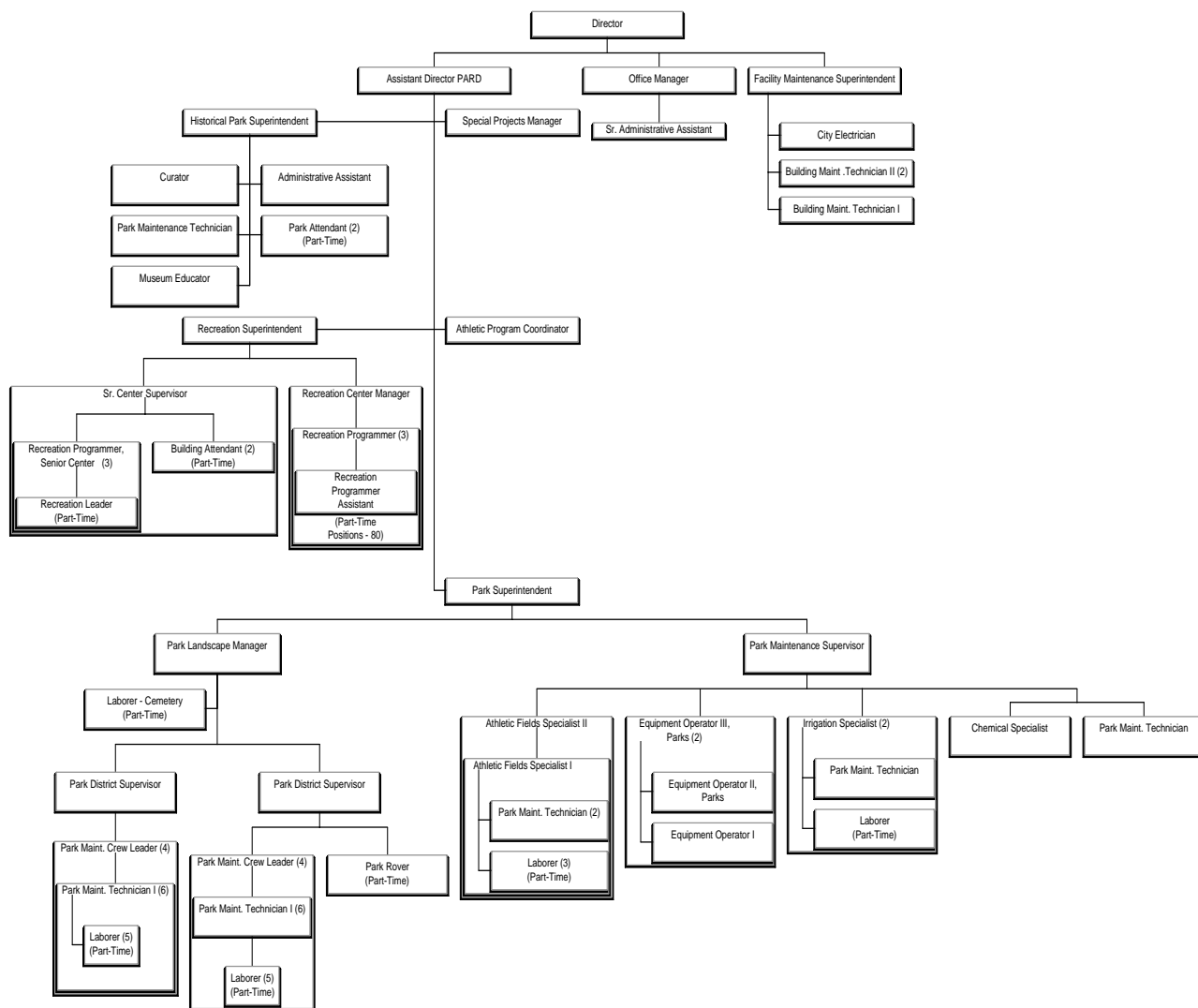
1. Continue to enhance, expand and develop the visibility of the park system through programming, marketing and beautification efforts. 
2. Continue aesthetic enhancements throughout the city. 
3. Begin master plan process for citywide trail system. 
4. Develop a signature event for Farmers Branch. 
5. Study and develop a plan to attract "Baby Boomers" to the senior center.
6. Complete the final phase (Phase IV) of asphalt track replacement at Farmers Branch Park.
7. Paint the second floor west wing offices at City Hall.
8. Resurface the fountain in the courtyard at City Hall.
9. Replace HVAC units at the Queen Anne Victorian Cottage and the City Hall computer server room.

10. Replace the roof and paint the interior of the Old Church at the historical park.
11. Upgrade publicity for community recreation center programs by mailing brochures to Farmers Branch residents annually. 
12. Formalize and implement new summer programs for teens at the community recreation center.

BUDGET HIGHLIGHTS

1. Included funding for a Dallas Symphony Orchestra concert at the historical park.
2. Included funding for an All-American Rose selection trial garden.
3. Included funding for replacement exercise equipment at the senior center.
4. Included funding for mailing the summer edition of the "Rec Scene" to all residents.

Parks & Recreation



HISTORICAL PRESERVATION/ SPECIAL EVENTS SUMMARY	YEAR-END AMENDED BUDGET 2005-06	ACTUAL 2005-06	ADOPTED BUDGET 2006-07	YEAR-END AMENDED BUDGET 2006-07	ADOPTED BUDGET 2007-08	% CHANGE FROM AMENDED BUDGET
<i>Personal Services/Benefits</i>	\$356,200	\$353,024	\$377,800	\$379,700	\$396,800	4.50%
<i>Purchased Prof & Tech Services</i>	1,500	1,310	1,500	1,500	1,500	0.00%
<i>Supplies</i>	40,200	36,476	40,500	40,500	40,600	0.25%
<i>Repairs & Maintenance</i>	95,500	75,800	95,500	95,500	55,300	-42.09%
<i>Services</i>	87,900	76,786	87,900	87,900	85,200	-3.07%
<i>Other Fixed Assets</i>	7,000	603	7,000	7,000	7,000	0.00%
<i>Special Events</i>	97,000	86,513	87,000	87,000	136,000	56.32%
<i>Transfers</i>	24,000	24,000	0	0	66,000	N/A
Total Department Budget	<u>\$709,300</u>	<u>\$654,512</u>	<u>\$697,200</u>	<u>\$699,100</u>	<u>\$788,400</u>	<u>12.77%</u>









**FARMERS
BRANCH**

ECONOMIC DEVELOPMENT & TOURISM



The Economic Development & Tourism Office serves as the development representative for the City and is responsible for the attraction of business and industry both nationally and internationally, retention and expansion of existing business and industry, and promotion of local convention and tourism business. The office is a part of the Office of the City Manager.

2007-08 OBJECTIVES



Economic Development

1. Continue to implement the economic development strategy in the areas of attraction of business and industry, both nationally and internationally, and the retention and expansion of existing businesses. 
2. Continue collaborative efforts with Brookhaven College on State of Texas skills development fund. 
3. Coordinate TIF No. 1 and TIF No. 2 projects including annual board meetings and development.
4. Contact a minimum of 15 second-tier Farmers Branch companies or DFW developers. 
5. Contact a minimum of 10 out of the top 30 sales tax companies. 
6. Continue coordination of an economic development strategy with the Branch Revitalization Task Force.
7. Coordinate with the Planning Division on implementation of the Four Corners retail study. 
8. Evaluate the marketing study for branding ideas and make recommendations for implementation.
9. Coordinate marketing material for the Four Corners and light rail station areas. 
10. Develop and implement a citywide branding plan.

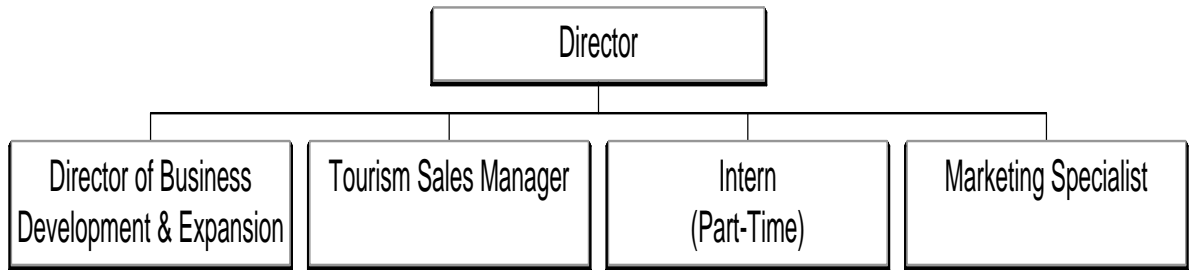
Tourism

1. Review and update tourism marketing strategies.
2. Continue to place specific emphasis on development of SMERF (Sports, Military, Educational, Religious and Fraternal) markets. 
3. Continue an aggressive marketing strategy that includes the Dr Pepper StarCenter. 

Neighborhood Revitalization

1. Develop, implement and manage a residential incentive program. 
2. Development and implement a branding program. 

Economic Development & Tourism



PROMOTION OF TOURISM/ CONVENTION CENTER SUMMARY	YEAR-END AMENDED BUDGET 2005-06	ACTUAL 2005-06	ADOPTED BUDGET 2006-07	YEAR-END AMENDED BUDGET 2006-07	ADOPTED BUDGET 2007-08	% CHANGE FROM AMENDED BUDGET
<i>Supplies</i>	\$32,000	\$14,077	\$10,000	\$10,000	\$6,500	-35.00%
<i>Repairs & Maintenance</i>	32,000	9,046	22,000	22,000	22,000	0.00%
<i>Services</i>	0	0	40,000	27,000	27,000	0.00%
<i>Marketing</i>	654,600	597,259	664,600	671,100	702,300	4.65%
<i>Transfers</i>	852,400	830,036	889,500	890,400	906,200	1.77%
Total Department Budget	<u>\$1,571,000</u>	<u>\$1,450,418</u>	<u>\$1,626,100</u>	<u>\$1,620,500</u>	<u>\$1,664,000</u>	<u>2.68%</u>

SUMMARY BUDGET CATEGORIES

	YEAR-END AMENDED BUDGET 2005-06	ACTUAL 2005-06	ADOPTED BUDGET 2006-07	YEAR-END AMENDED BUDGET 2006-07	ADOPTED BUDGET 2007-08
PROMOTION OF TOURISM					
<i>Staff Tourism</i>	\$352,900	\$330,536	\$388,900	\$408,500	\$434,900
<i>Marketing</i>	654,600	597,259	664,600	671,100	702,300
Total Budget	<u>\$1,007,500</u>	<u>\$927,795</u>	<u>\$1,053,500</u>	<u>\$1,079,600</u>	<u>\$1,137,200</u>
CONVENTION CENTER					
<i>Supplies</i>	\$32,000	\$14,077	\$10,000	\$10,000	\$6,500
<i>Repairs & Maintenance</i>	32,000	9,046	22,000	22,000	22,000
<i>Services</i>	0	0	40,000	27,000	27,000
<i>Transfers</i>	499,500	499,500	500,600	481,900	471,300
Total Budget	<u>\$563,500</u>	<u>\$522,623</u>	<u>\$572,600</u>	<u>\$540,900</u>	<u>\$526,800</u>



**FARMERS
BRANCH**

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

General obligation debt can be in the form of bonds, certificates of obligation or tax notes. Bonds must be approved by vote of the general population prior to issuance. Certificates of obligation do not require voter approval, are generally short term in nature, and are frequently used to fund capital improvements not anticipated at the time of the latest bond election. Tax notes are similar to certificates of obligation in that there is no requirement for voter approval and they are generally short term in nature.

The City has the following outstanding debt issues:

\$2,375,000 General Obligation Refunding Bonds – Series 2002

Used to refund a portion of the City's outstanding debt in order to lower overall debt service requirements. The bonds constitute direct obligations of the City and are payable from the levy and collection of a direct and continuing ad valorem tax, within the limits prescribed by law, on all taxable property located within the City.

There are \$1,440,000 bonds outstanding as of October 1, 2007. These bonds will be fully matured and paid on August 15, 2012.

\$7,750,000 General Obligation Refunding Bonds – Series 2007

Used to pay contractual obligations to be incurred for the following purposes: a) designing, developing, constructing, improving, extending, and expanding streets, thoroughfares, sidewalks, bridges, and other public ways of the City, including streetscaping, streetlighting, right-of-way protection, utility relocation, and related storm drainage improvements and acquiring rights-of-way in connection therewith, and b) acquiring, constructing, renovating, expanding, relocating and improving animal shelter facilities and acquiring land for such purposes. The Certificates constitute direct obligations of the City and are payable from a combination of a) the levy and collection of a direct and continuing ad valorem tax levied, within the limits prescribed by law, on all taxable property within the City, and b) a combination of all or a part of certain revenues of the City's combined waterworks and sewer system remaining after payment of any obligations of the City payable in whole or in part from a lien or pledge of such revenues that would be superior to the obligations to be authorized.

There are currently \$7,750,000 bonds outstanding. These bonds will be fully matured and paid on August 15, 2012.

\$4,800,000 Combination Tax & Hotel Occupancy Tax Certificates of Obligation – Series 1999

Used for the acquisition, construction and renovation of property for convention center purposes. The Certificates constitute direct obligations of the City and are payable from pledged revenues of the City's hotel/motel occupancy taxes, and, to the extent such amounts are insufficient for such purposes, from the levy and collection of an ad valorem tax levied, within the limits prescribed by law, on all taxable property within the City.

There are currently \$2,710,000 bonds outstanding. These bonds will be fully matured and paid on August 15, 2014.

\$7,895,000 Combination Tax & Revenue Certificates of Obligation – Series 2004

Used to design, construct, develop, and equip a community ice-skating and conference facility. The Certificates constitute direct obligations of the City and are payable from a combination of a) the levy and collection of a direct and continuing ad valorem tax levied, within the limits prescribed by law, on all taxable property within the City, and b) a limited pledge of the surplus net revenues of the City's waterworks and sewer system with such pledge being

limited to an amount not in excess of \$1,000. The City has entered into a lease agreement with respect to the facility. The City anticipates that payments received under the lease will be applied to pay debt service on the Certificates; however, no portion of the lease revenues are pledged to secure the Certificates.

There are currently \$7,720,000 bonds outstanding. These bonds will be fully matured and paid on November 1, 2029.

DEBT SERVICE FUND SUMMARY OF REVENUES AND EXPENDITURES

PROPERTY TAX SUPPORTED DEBT

<i>FUND BALANCE 9/30/2006</i>			(\$1,536)
2006-07	ESTIMATED PROPERTY TAX REVENUES	\$3,209,800	
2006-07	TRANSFER FROM WATER BOND FUND	36,158	
2006-07	ESTIMATED PRIOR YEAR TAX, PENALTY AND INTEREST	40,000	
2006-07	DEBT SERVICE REQUIREMENTS (1)	(3,209,800)	
<i>INCREASE (DECREASE) IN FUND BALANCE</i>			76,158
<i>ESTIMATED FUND BALANCE 9/30/2007</i>			\$74,622
2007-08	ESTIMATED PROPERTY TAX REVENUES	\$2,190,000	
2007-08	ESTIMATED PRIOR YEAR TAX, PENALTY AND INTEREST	40,000	
2007-08	DEBT SERVICE REQUIREMENTS (2)	(2,190,000)	
<i>INCREASE (DECREASE) IN FUND BALANCE</i>			
<i>ESTIMATED FUND BALANCE 9/30/2006</i>			\$114,622

SELF-SUPPORTING DEBT

<i>FUND BALANCE 9/30/2006</i>			\$3,376,270
2006-07	TRANSFER FROM HOTEL/MOTEL FUND	\$1,408,100	
2006-07	DEFEASANCE OF SERIES 2004A	(926,200)	
2006-07	TRANSFER FROM STARS CENTER FUND	638,000	
2006-07	ASSESSMENT REVENUE	498,150	
2006-07	DEBT SERVICE REQUIREMENTS (3)	(4,029,950)	
<i>INCREASE (DECREASE) IN FUND BALANCE</i>			(2,411,900)
<i>ESTIMATED FUND BALANCE 9/30/2007</i>			\$964,370
2007-08	TRANSFER FROM HOTEL/MOTEL FUND	471,300	
2007-08	TRANSFER FROM STARS CENTER FUND	604,600	
2007-08	DEBT SERVICE REQUIREMENTS (4)	(1,075,900)	
2007-08	TRANSFER FROM PID FUND TO NON-BOND FUND	(500,000)	
<i>INCREASE (DECREASE) IN FUND BALANCE</i>			(500,000)
<i>ESTIMATED FUND BALANCE 9/30/2006</i>			\$464,370

(1) Includes approximately \$15,000 for paying agent fees and arbitrage calculation services.

(2) Includes approximately \$23,300 for paying agent fees and arbitrage calculation services.

(3) Includes approximately \$20,650 for paying agent fees and arbitrage calculation services.

(4) Includes approximately \$6,600 for paying agent fees and arbitrage calculation services.

SUMMARY
GENERAL OBLIGATION BONDS
PRINCIPAL & INTEREST REQUIREMENTS
Property Tax Supported Debt

Year	Principal	Interest	Total
2007-08	\$1,900,000.00	\$266,741.88	\$2,166,741.88
2008-09	1,910,000.00	249,850.00	2,159,850.00
2009-10	1,735,000.00	185,845.00	1,920,845.00
2010-11	1,790,000.00	126,377.50	1,916,377.50
2011-12	1,855,000.00	64,522.50	1,919,522.50
Total	<u>\$9,190,000.00</u>	<u>\$893,336.88</u>	<u>\$10,083,336.88</u>

GENERAL OBLIGATION BONDS
 SERIES 2002
 AMOUNT OF ISSUE: \$2,375,000.00
 REFUNDING BONDS
 PRINCIPAL & INTEREST REQUIREMENTS
 Property Tax Supported Debt

Year	Principal	Interest	Total
2007-08	\$415,000.00	\$46,157.50	\$461,157.50
2008-09	420,000.00	33,707.50	453,707.50
2009-10	195,000.00	21,107.50	216,107.50
2010-11	200,000.00	14,770.00	214,770.00
2011-12	210,000.00	7,770.00	217,770.00
<i>Total</i>	<u><u>\$1,440,000.00</u></u>	<u><u>\$123,512.50</u></u>	<u><u>\$1,563,512.50</u></u>

Interest Rates:

2007-08	-	3.000%
2008-09	-	3.000%
2009-10	-	3.250%
2010-11	-	3.500%
2011-12	-	3.700%

GENERAL OBLIGATION BONDS
SERIES 2007
AMOUNT OF ISSUE: \$7,750,000
REFUNDING BONDS
PRINCIPAL & INTEREST REQUIREMENTS
 Property Tax Supported Debt
 (estimate)

Year	Principal	Interest	Total
2007-08	\$1,485,000.00	\$220,584.38	\$1,705,584.38
2008-09	1,490,000.00	216,142.50	1,706,142.50
2009-10	1,540,000.00	164,737.50	1,704,737.50
2010-11	1,590,000.00	111,607.50	1,701,607.50
2011-12	1,645,000.00	56,752.50	1,701,752.50
<i>Total</i>	<u><u>\$7,750,000.00</u></u>	<u><u>\$769,824.38</u></u>	<u><u>\$8,519,824.38</u></u>

Interest Rates:

Nominal Annual Estimated Rate: 3.450%

COMBINATION TAX and HOTEL OCCUPANCY TAX
 CERTIFICATES OF OBLIGATION
 SERIES 1999
 AMOUNT OF ISSUE: \$4,800,000.00
 PRINCIPAL & INTEREST REQUIREMENTS
 Self-Supporting Debt

Year	Principal	Interest	Total
2007-08	\$330,000.00	\$136,272.50	\$466,272.50
2008-09	350,000.00	120,267.50	470,267.50
2009-10	365,000.00	103,292.50	468,292.50
2010-11	385,000.00	85,225.00	470,225.00
2011-12	405,000.00	65,975.00	470,975.00
2012-13	425,000.00	45,725.00	470,725.00
2013-14	450,000.00	23,625.00	473,625.00
<i>Total</i>	<u>\$2,710,000.00</u>	<u>\$580,382.50</u>	<u>\$3,290,382.50</u>

Interest Rates:

2007	-	4.750%
2008-09	-	4.850%
2010	-	4.950%
2011-12	-	5.000%
2013	-	5.200%
2014	-	5.250%

**COMBINATION TAX and REVENUE
CERTIFICATES OF OBLIGATION
SERIES 2004
AMOUNT OF ISSUE: \$7,895,000
PRINCIPAL & INTEREST REQUIREMENTS
Self-Supporting Debt**

Year	Principal	Interest	Total
2007-08	\$180,000.00	\$422,950.00	\$602,950.00
2008-09	185,000.00	416,783.75	601,783.75
2009-10	195,000.00	409,605.00	604,605.00
2010-11	200,000.00	400,852.50	600,852.50
2011-12	210,000.00	390,705.00	600,705.00
2012-13	225,000.00	379,938.75	604,938.75
2013-14	235,000.00	368,553.75	603,553.75
2014-15	245,000.00	356,673.75	601,673.75
2015-16	260,000.00	343,070.00	603,070.00
2016-17	275,000.00	327,555.00	602,555.00
2017-18	290,000.00	311,170.00	601,170.00
2018-19	310,000.00	293,770.00	603,770.00
2019-20	330,000.00	275,210.00	605,210.00
2020-21	350,000.00	255,490.00	605,490.00
2021-22	370,000.00	234,610.00	604,610.00
2022-23	390,000.00	212,570.00	602,570.00
2023-24	415,000.00	189,225.00	604,225.00
2024-25	440,000.00	164,430.00	604,430.00
2025-26	465,000.00	138,185.00	603,185.00
2026-27	490,000.00	110,490.00	600,490.00
2027-28	520,000.00	81,200.00	601,200.00
2028-29	555,000.00	50,025.00	605,025.00
2029-30	585,000.00	16,965.00	601,965.00
Total	\$7,720,000.00	\$6,150,027.50	\$13,870,027.50

Interest Rates:

2007-08	-	3.100%
2008-09	-	3.650%
2009-10	-	3.900%
2010-15	-	4.950%
2015-30	-	5.800%

SPECIAL REVENUE FUNDS REVENUE SUMMARY

	ACTUAL 2005-06	ADOPTED BUDGET 2006-07	YEAR-END AMENDED BUDGET 2006-07	ADOPTED BUDGET 2007-08	PERCENT OF BUDGET
POLICE FORFEITURE FUNDS	\$47,800	\$20,000	\$20,000	\$20,000	0.78%
DONATIONS	54,094	22,017	40,517	19,042	0.74%
YOUTH SCHOLARSHIP	3,424	3,000	3,000	3,000	0.12%
GRANTS	357,609	91,800	100,822	109,100	4.24%
BUILDING SECURITY FUND	47,446	36,700	36,700	36,700	1.43%
COURT TECHNOLOGY	62,091	50,000	50,000	50,000	1.94%
LANDFILL CLOSURE/POST-CLOSURE	1,228,776	850,000	1,070,000	1,135,000	44.13%
STARS CENTER	643,281	600,000	600,000	614,256	23.88%
CEMETERY	0	150,000	150,000	150,000	5.83%
LEGAL DEFENSE	0	0	40,800	35,000	1.36%
PHOTOGRAPHIC LIGHT SYSTEM	0	0	60,000	400,000	15.55%
	<u>0</u>	<u>0</u>	<u>60,000</u>	<u>400,000</u>	<u>15.55%</u>
GRAND TOTAL	<u><u>\$2,444,521</u></u>	<u><u>\$1,823,517</u></u>	<u><u>\$2,171,839</u></u>	<u><u>\$2,572,098</u></u>	<u><u>100.00%</u></u>

SPECIAL REVENUE FUNDS EXPENDITURE SUMMARY

	ACTUAL 2005-06	ADOPTED BUDGET 2006-07	YEAR-END AMENDED BUDGET 2006-07	ADOPTED BUDGET 2007-08	PERCENT OF BUDGET
POLICE FORFEITURE FUNDS	\$56,698	\$107,400	\$107,400	\$107,400	7.55%
DONATIONS	57,371	87,502	106,102	49,223	3.46%
YOUTH SCHOLARSHIP	1,687	5,900	5,900	5,900	0.41%
GRANTS	359,300	91,800	100,822	107,900	7.58%
BUILDING SECURITY FUND	48,006	64,600	65,500	60,000	4.22%
COURT TECHNOLOGY	22,259	33,220	158,220	38,320	2.69%
LANDFILL CLOSURE/POST-CLOSURE	12,944	1,305,000	100,000	0	0.00%
STARS CENTER	495,000	638,000	638,000	604,600	42.48%
CEMETERY	0	14,000	7,200	15,000	1.05%
LEGAL DEFENSE	0	0	40,800	35,000	2.46%
PHOTOGRAPHIC LIGHT SYSTEM	0	0	60,000	400,000	28.10%
GRAND TOTAL	<u>\$1,053,265</u>	<u>\$2,347,422</u>	<u>\$1,389,944</u>	<u>\$1,423,343</u>	<u>100.00%</u>

SPECIAL REVENUE FUND

Adopted Budget 2007-08

Police Forfeiture Fund

<i>PROJECTED BEGINNING FUND BALANCE</i>			\$104,817
BUDGETED REVENUES			
Court Ordered Forfeitures		<u>\$20,000</u>	
TOTAL BUDGETED REVENUES		<u>\$20,000</u>	20,000
BUDGETED EXPENDITURES			
Operating		\$15,000	
Red Ribbon Tournament		4,000	
Training		18,400	
Tactical Equipment		25,000	
Office Supplies and Equipment		25,000	
Federal Expenditures		<u>20,000</u>	
TOTAL BUDGETED EXPENDITURES		<u>\$107,400</u>	<u>(107,400)</u>
<i>PROJECTED ENDING FUND BALANCE</i>			<u><u>\$17,417</u></u>

SPECIAL REVENUE FUND

Adopted Budget 2007-08

Donations

BEGINNING FUND BALANCE		\$75,164
BUDGETED REVENUES		
Donations Received for Environmental Health	\$900	
Donations Received for Senior Center	2,000	
Donations Received for Parks - Kidfish Event	8,000	
Donations Received for Police	2,000	
Donations Received for Parks	400	
Donations Received for Fire	2,742	
Donations Received for Library	3,000	
	<hr/>	
TOTAL BUDGETED REVENUES	\$19,042	19,042
BUDGETED EXPENDITURES		
Human Resources		
Wellness Program	\$1,221	
Communications - Travel/Presentations (Innovations)		
Travel & Presentations (Innovations)	1,502	
Staff Services	400	
Animal Care - General	900	
Animal Care - Spay and Neuter		
Police Training Aids & Equipment	3,000	
Fire Equipment and Training	3,000	
Park Maintenance	10,000	
Parks - Kidfish Event	8,000	
Senior Center	2,000	
Library Materials	3,000	
Historical Park		
Purchase Antiques	4,000	
Land Grant Office	3,700	
Victorian House - Purchase Artifacts	6,500	
Log Cabins - Restoration Projects	2,000	
	<hr/>	
TOTAL BUDGETED EXPENDITURES	\$49,223	(49,223)
PROJECTED ENDING FUND BALANCE (1)		<hr/> <hr/>
		\$44,983

NOTE:

(1) The projected ending fund balance is designated as follows:

Art/Cultural	\$156
Fire	2,203
Flexible Spending Refunds - Medical Reimbursement	0
Historical Park	4,826
Innovations	651
Kidfish	1,375
Library	16,523
Park Improvements	2,317
Revitalization Projects	347
Safety	8,932
Senior Center	7,425
Animal Care	228
	<u>\$44,983</u>

SPECIAL REVENUE FUND

Adopted Budget 2007-08

Youth Scholarship

<i>BEGINNING FUND BALANCE</i>			\$13,525
BUDGETED REVENUES			
Youth Scholarship		<u>\$3,000</u>	
TOTAL BUDGETED REVENUES		<u>\$3,000</u>	3,000
BUDGETED EXPENDITURES			
Parks & Recreation		<u>\$5,900</u>	
TOTAL BUDGETED EXPENDITURES		<u>\$5,900</u>	<u>(5,900)</u>
<i>PROJECTED ENDING FUND BALANCE</i>			<u><u>\$10,625</u></u>

SPECIAL REVENUE FUND

Adopted Budget 2007-08

Grants

BEGINNING FUND BALANCE

\$0

BUDGETED REVENUES

Environmental Health	\$5,000
Police Uniforms	12,100
Police TxDot STEP Grant	70,000
Lone Star Libraries Grant	10,000
Parks - Forestry Grant	10,000
Parks - Texas Heritage Trails Grant	2,000
	<hr/>

TOTAL BUDGETED REVENUES

\$109,100

109,100

BUDGETED EXPENDITURES

Environmental Health	\$3,800
Patrol Uniforms	12,100
Police Overtime	70,000
Lone Star Libraries Grant	10,000
Parks Forestry Grant	10,000
Historical Park Events	2,000
	<hr/>

TOTAL BUDGETED EXPENDITURES

\$107,900

(107,900)

PROJECTED ENDING FUND BALANCE

\$1,200

Note: Deficits in beginning or ending fund balance are a result of a timing difference between grant expenditures incurred and the filing of requests for reimbursements.

SPECIAL REVENUE FUND

Adopted Budget 2007-08

Building Security Fund

<i>BEGINNING FUND BALANCE</i>			\$149,156
BUDGETED REVENUES			
Building Security	\$36,700		
TOTAL BUDGETED REVENUES	\$36,700	36,700	
BUDGETED EXPENDITURES			
Repairs and Maintenance	\$32,300		
Court Security	27,700		
TOTAL BUDGETED EXPENDITURES	\$60,000	(60,000)	
<i>PROJECTED ENDING FUND BALANCE</i>			<u>\$125,856</u>

SPECIAL REVENUE FUND

Adopted Budget 2007-08

Court Technology Fund

<i>BEGINNING FUND BALANCE</i>			\$170,130
BUDGETED REVENUES			
Court Fines	\$50,000		
TOTAL BUDGETED REVENUES	\$50,000	50,000	
BUDGETED EXPENDITURES			
Court Technology	\$12,100		
Services	420		
Equipment - Office	25,800		
TOTAL BUDGETED EXPENDITURES	\$38,320	(38,320)	
<i>PROJECTED ENDING FUND BALANCE</i>			<u>\$181,810</u>

SPECIAL REVENUE FUND

Adopted Budget 2007-08

Landfill Closure/Post-Closure

<i>BEGINNING FUND BALANCE</i>			\$7,693,658
BUDGETED REVENUES			
Landfill Closure / Post-Closure	\$775,000		
Interest	<u>360,000</u>		
TOTAL BUDGETED REVENUES	<u>\$1,135,000</u>	1,135,000	
BUDGETED EXPENDITURES			
Gas Collection System - Design	<u>\$0</u>		
TOTAL BUDGETED EXPENDITURES	<u>\$0</u>	<u>0</u>	
<i>PROJECTED ENDING FUND BALANCE</i>			<u><u>\$8,828,658</u></u>

SPECIAL REVENUE FUND

Adopted Budget 2007-08

Stars Center

<i>BEGINNING FUND BALANCE</i>			\$300,443
BUDGETED REVENUES			
Rent	\$600,000		
Interest	<u>14,256</u>		
TOTAL BUDGETED REVENUES	<u>\$614,256</u>	614,256	
BUDGETED EXPENDITURES			
Debt Service Transfers	<u>\$604,600</u>		
TOTAL BUDGETED EXPENDITURES	<u>\$604,600</u>	<u>(604,600)</u>	
<i>PROJECTED ENDING FUND BALANCE</i>			<u><u>\$310,099</u></u>

SPECIAL REVENUE FUND

Adopted Budget 2007-08

Cemetery

<i>BEGINNING FUND BALANCE</i>			\$142,800
BUDGETED REVENUES			
Association Dues	\$150,000		
TOTAL BUDGETED REVENUES	\$150,000	150,000	
BUDGETED EXPENDITURES			
Personal Services/Benefits	\$13,500		
Supplies	400		
Repairs and Maintenance	500		
Services	600		
TOTAL BUDGETED EXPENDITURES	\$15,000	(15,000)	
<i>PROJECTED ENDING FUND BALANCE</i>			<u>\$277,800</u>

SPECIAL REVENUE FUND

Adopted Budget 2007-08

Legal Defense

<i>BEGINNING FUND BALANCE</i>			\$0
BUDGETED REVENUES			
Donations	<u>\$35,000</u>		
TOTAL BUDGETED REVENUES	<u>\$35,000</u>	35,000	
BUDGETED EXPENDITURES			
Credit Card Fees	<u>\$35,000</u>		
TOTAL BUDGETED EXPENDITURES	<u>\$35,000</u>	<u>(35,000)</u>	
<i>PROJECTED ENDING FUND BALANCE</i>			<u><u>\$0</u></u>

SPECIAL REVENUE FUND

Adopted Budget 2007-08

Photographic Light System

<i>BEGINNING FUND BALANCE</i>			\$0
BUDGETED REVENUES			
Red Light Enforcement	<u>\$400,000</u>		
TOTAL BUDGETED REVENUES	<u>\$400,000</u>	400,000	
BUDGETED EXPENDITURES			
Public Hearing Officer	\$15,800		
Officer Review Overtime	35,000		
State Share	50,000		
Public Safety Expenses	59,200		
Red Light Enforcement Contract	<u>240,000</u>		
TOTAL BUDGETED EXPENDITURES	<u>\$400,000</u>	<u>(400,000)</u>	
<i>PROJECTED ENDING FUND BALANCE</i>			<u><u>\$0</u></u>

FIXED ASSET FUND SUMMARY

	YEAR-END AMENDED BUDGET 2006-07	ADOPTED BUDGET 2007-08
<i>ESTIMATED FUND BALANCE 9/30/2007</i>	\$1,781,871 (1)	\$1,481,071
2007-08 ESTIMATED TRANSFER FROM OPERATING FUNDS	2,540,800	2,653,300
2007-08 ESTIMATED FIXED ASSET PURCHASES	(2,941,600)	(3,008,800)
2007-08 DESIGNATION FOR FUTURE PURCHASES	0	(732,400) (2)
2007-08 PROCEEDS FROM AUCTIONS	<u>100,000</u>	<u>150,000</u>
<i>ESTIMATED UNALLOCATED FUND BALANCE 9/30/2008</i>	<u><u>\$1,481,071</u></u>	<u><u>\$543,171</u></u>

(1) The Amended Budget estimated fund balance 9/30/2006 reflects the fund balance actual per the 9/30/06 Comprehensive Annual Financial Report

(2) Future purchase designations totaling \$732,400 are for: Police Vehicles \$55,000; Fire vehicles \$387,400; and Public Works and Parks vehicles \$290,000.

FIXED ASSETS

DIVISION	DESCRIPTION	YEAR-END AMENDED BUDGET TRANSFERS 2006-07	YEAR-END AMENDED BUDGET PLANNED PURCHASES 2006-07	ADOPTED BUDGET TRANSFERS 2007-08	ADOPTED BUDGET PLANNED PURCHASES 2007-08
Communications	Replacement Camera System	\$ 37,000	\$ 37,000	\$	\$
	Postage Meter			29,700	29,700
	Division Total	<u>\$ 37,000</u>	<u>\$ 37,000</u>	<u>\$ 29,700</u>	<u>\$ 29,700</u>
Information Services	Network Replacement/Upgrade Program	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
	Network Core Switch	20,000	20,100		
	HVAC			46,000	46,000
	UPS Replacement	30,000	67,300		
	Telephone Switch/Voicemail Upgrade			35,000	35,000
	Division Total	<u>\$ 75,000</u>	<u>\$ 112,400</u>	<u>\$ 106,000</u>	<u>\$ 106,000</u>
Community Services	Videoconferencing Equipment	\$ 7,100	\$ 7,100		
	Division Total	<u>\$ 7,100</u>	<u>\$ 7,100</u>	<u>\$</u>	<u>\$</u>
<i>Building Inspections</i>	Vehicle(s)	\$ 25,600	\$ 25,600	\$ 99,500	\$ 99,500
	Division Total	<u>\$ 25,600</u>	<u>\$ 25,600</u>	<u>\$ 99,500</u>	<u>\$ 99,500</u>
Environmental Health	Vehicle(s)	\$ 35,000	\$ 35,000	\$ 49,000	\$ 49,000
	Mosquito Sprayer	8,700	8,700		
	Division Total	<u>\$ 43,700</u>	<u>\$ 43,700</u>	<u>\$ 49,000</u>	<u>\$ 49,000</u>
Engineering	Vehicle	\$ 25,600	\$ 25,600	\$ 25,000	\$ 25,000
	Copier			9,000	9,000
	Division Total	<u>\$ 25,600</u>	<u>\$ 25,600</u>	<u>\$ 34,000</u>	<u>\$ 34,000</u>
Traffic Engineering	Signal Cabinets	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
	Vehicle			24,500	24,500
	Division Total	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 49,500</u>	<u>\$ 49,500</u>
<i>Public Works Admin.</i>	Copier	\$	\$	\$ 6,000	\$ 6,000
	Division Total	<u>\$</u>	<u>\$</u>	<u>\$ 6,000</u>	<u>\$ 6,000</u>
<i>Solid Waste</i>	Vehicle(s)	\$ 29,300	\$ 29,300	\$	\$
	Copper Wiring	100,000	100,000		
	Replacement Loader(s)	186,300	186,300	350,000	570,000
	Rearload Containers			27,000	27,000
	Division Total	<u>\$ 315,600</u>	<u>\$ 315,600</u>	<u>\$ 377,000</u>	<u>\$ 597,000</u>
<i>Street Maintenance</i>	Dump Truck	\$ 118,000	\$ 118,000	\$	\$
	Backhoe			50,000	80,000
	Vehicle(s)	26,000	26,000	30,000	30,000
	Dowel Pin Drill	6,500	6,500		
	Sand Spreader	8,000	8,000		
	Bridge Rail Replacement	24,400	24,400		
	Division Total	<u>\$ 182,900</u>	<u>\$ 182,900</u>	<u>\$ 80,000</u>	<u>\$ 110,000</u>

FIXED ASSETS

DIVISION	DESCRIPTION		YEAR-END AMENDED BUDGET TRANSFERS 2006-07	YEAR-END AMENDED BUDGET PLANNED PURCHASES 2006-07	ADOPTED BUDGET TRANSFERS 2007-08	ADOPTED BUDGET PLANNED PURCHASES 2007-08
<i>Police Patrol</i>	Vehicle(s)	(1)	\$ 340,000	\$ 275,000	\$ 205,000	\$ 273,700
	Intox DVR		6,000	6,000		
	Surveillance Camera					6,000
	Division Total		<u>\$ 346,000</u>	<u>\$ 281,000</u>	<u>\$ 205,000</u>	<u>\$ 279,700</u>
<i>Fire Prevention</i>	Vehicle(s)		\$ 48,500	\$ 48,500	\$	\$
	Division Total		<u>\$ 48,500</u>	<u>\$ 48,500</u>	<u>\$</u>	<u>\$</u>
<i>Fire Operations</i>	Fire Engine & Ambulance Replacement	(1)	\$ 300,000	\$ 720,000	\$ 335,000	\$ 147,600
	Fire Station No. 3 Furniture/Fixtures				22,400	22,400
	Physical Fitness Equipment				25,000	25,000
	Pump for Jaws of Life		8,200	8,200		
	Division Total		<u>\$ 308,200</u>	<u>\$ 728,200</u>	<u>\$ 382,400</u>	<u>\$ 195,000</u>
<i>Parks & Rec. Admin.</i>	Copier		\$	\$	\$ 8,500	\$ 8,500
	Division Total		<u>\$</u>	<u>\$</u>	<u>\$ 8,500</u>	<u>\$ 8,500</u>
<i>Building Maintenance</i>	Software		\$ 13,000	\$ 13,000	\$	\$
	Vehicle		24,000	24,000		
	Division Total		<u>\$ 37,000</u>	<u>\$ 37,000</u>	<u>\$</u>	<u>\$</u>
<i>Park Maintenance</i>	Mower(s)		\$ 21,200	\$ 21,200	\$ 82,000	\$ 142,000
	Vehicle(s)		75,000	75,000	94,000	94,000
	Replacement Equipment		64,000	64,000	28,000	28,000
	Replacement Backhoe				80,000	80,000
	Division Total		<u>\$ 160,200</u>	<u>\$ 160,200</u>	<u>\$ 284,000</u>	<u>\$ 344,000</u>
<i>Recreation</i>	Vehicle(s)		\$ 26,500	\$ 26,500	\$	\$
	Division Total		<u>\$ 26,500</u>	<u>\$ 26,500</u>	<u>\$</u>	<u>\$</u>
<i>Senior Center</i>	Vehicle		\$ 86,000	\$ 104,600	\$	\$
	Division Total		<u>\$ 86,000</u>	<u>\$ 104,600</u>	<u>\$</u>	<u>\$</u>
<i>Historical Preservation</i>	Copier		\$	\$	\$ 8,000	\$ 8,000
	Roof for Old Church				20,000	20,000
	Interior Repairs - Old Church				18,000	18,000
	Rose Garden				20,000	20,000
	Division Total		<u>\$</u>	<u>\$</u>	<u>\$ 66,000</u>	<u>\$ 66,000</u>
<i>Library</i>	Library Materials		\$ 176,400	\$ 176,400	\$ 185,200	\$ 185,200
	Annual Projects				40,600	40,600
	HVAC				34,400	34,400
	Digital Outdoor Sign		24,200	24,200		
	Division Total		<u>\$ 200,600</u>	<u>\$ 200,600</u>	<u>\$ 260,200</u>	<u>\$ 260,200</u>

FIXED ASSETS

DIVISION	DESCRIPTION	YEAR-END	YEAR-END	ADOPTED	ADOPTED
		AMENDED BUDGET TRANSFERS 2006-07	AMENDED BUDGET PLANNED PURCHASES 2006-07	BUDGET TRANSFERS 2007-08	BUDGET PLANNED PURCHASES 2007-08
<i>Fleet Maintenance</i>	Fuel Tank Monitors	\$	\$ 18,000	\$	\$
	Fork Lift			18,000	18,000
	Fuel Storage Tank			150,000	150,000
	Fuel System Upgrade	166,300	166,300		
	Flooring			11,000	11,000
	HVAC			40,000	40,000
	State Inspection Machine			11,000	11,000
	Division Total	<u>\$ 166,300</u>	<u>\$ 184,300</u>	<u>\$ 230,000</u>	<u>\$ 230,000</u>
Water & Sewer Operations	Replacement Vehicle(s)	\$ 26,800	\$ 26,800	\$ 107,000	\$ 107,000
	Meter Reading Equipment Conversion	45,800	21,600		154,200
	Dump Truck(s)			115,000	115,000
	Large Water Meters			50,000	50,000
	Electric Furnace	20,000	20,000		
	Air Compressor			15,500	15,500
	Pump	8,100	8,100		
	Sewer Truck	99,000	99,000		
	Backhoe	85,000	85,000	99,000	99,000
	Division Total	<u>\$ 284,700</u>	<u>\$ 260,500</u>	<u>\$ 386,500</u>	<u>\$ 540,700</u>
<i>Building Security</i>	Security System	\$ 14,300	\$ 14,300	\$	\$
	Division Total	<u>\$ 14,300</u>	<u>\$ 14,300</u>	<u>\$</u>	<u>\$</u>
<i>Court Technology</i>	Electronic Ticket Writers	\$ 125,000	\$ 121,000	\$	\$ 4,000
	Division Total	<u>\$ 125,000</u>	<u>\$ 121,000</u>	<u>\$</u>	<u>\$ 4,000</u>
Total		<u>\$ 2,540,800</u>	<u>\$ 2,941,600</u>	<u>\$ 2,653,300</u>	<u>\$ 3,008,800</u>
Totals by Fund:					
	General Fund	\$ 1,950,500	\$ 2,361,500	\$ 1,970,800	\$ 2,168,100
	Water & Sewer Fund	284,700	260,500	386,500	540,700
	Internal Service Fund	166,300	184,300	230,000	230,000
	Hotel/Motel Fund			66,000	66,000
	Special Revenue Funds	139,300	135,300		4,000
		<u>\$ 2,540,800</u>	<u>\$ 2,941,600</u>	<u>\$ 2,653,300</u>	<u>\$ 3,008,800</u>

Footnotes for Transfers and Purchases:

(1) Ongoing annual replacement funding of police and fire vehicles. Transfers cover purchases on a multi-year basis.

THE CIP PROCESS AND ITS RELATIONSHIP TO OPERATION BUDGETS

The Capital Improvement Program (CIP) is a financial plan for the development, design, and construction of major infrastructure improvements and projects in the City of Farmers Branch. This program encompasses projects funded through the sale of general obligation bonds, revenue bonds, interest earnings, and available fund balances from the General Fund and Water & Sewer Fund.

All CIP projects are identified through a long-range strategic planning process involving the City Council and all departments of the City. Projects for rehabilitation as well as new projects for growth and development are identified and prioritized based on needs. Funding is identified and projects are reorganized based on funding availability. Projects are spaced over time in order to achieve maximum construction with minimum tax rate or user charge impact.

The Capital Improvement Program can significantly impact the operating budget. The City relies heavily on General Fund and Water & Sewer Fund transfers in order to fund the CIP. Revenue growth and conservative spending patterns have allowed the City to make these transfers in the past and departments have the ability to fund day-to-day operations of the improvements through their existing operating budgets. In many instances, operating costs have actually been reduced by these improvements. For example, rebuilding older roadways reduces maintenance costs and the replacement of old water and sewer lines has reduced leakage and inflow/infiltration problems. The City's long-range plan estimates that revenue growth will be sufficient to cover most of these added costs. Further detail related to the operating cost impact of new capital improvement projects can be found in the project descriptions located at the beginning of this section. A "minimal" operating budget impact is defined as \$20,000 or less in operating cost.

**CAPITAL IMPROVEMENT PROGRAM BUDGET
ADOPTED 2007-08 BUDGET**

The Capital Improvement Program (CIP) consists of budgets for seven capital improvement funds that represent the capital spending plan for the City. The first three funds listed represent the City's Pay-As-You-Go Program. The seven capital improvement funds include:

- **Non-Bond Capital Improvement Program (CIP) Fund:** The revenues are primarily from General Fund transfers. Expenditures are for improvements to municipal facilities, parks, land acquisition, the Street Resurfacing and Reconstruction Programs, and other capital improvement projects not included in one of the other funds. This fund accounts for most new capital improvement projects of the City as remaining bond-funded programs near completion.
- **Hotel/Motel Capital Improvement Program (CIP) Fund:** This fund was previously identified as the Historical Park Fund. The revenues are exclusively from the Hotel/Motel Fund. Expenditures are for improvements to the Historical Park.
- **Non-Bond Utility Fund:** The revenues consist of transfers from the Water & Sewer Fund, a transfer of interest earnings from the Sewer Interceptor Fund, and funds from the County's Community Development Block Grant Program. Expenditures are for water and sanitary sewer improvements. The budget has been expanded to begin funding capital replacement at levels based on the annual depreciation of the water and sanitary sewer systems.
- **DART Local Assistance Program (LAP) Fund:** The revenues are primarily from DART with supplemental funding from earned interest, the Texas Department of Transportation (TxDOT), and Dallas County. Expenditures are for street, traffic, and transportation improvements associated with transit. Revenue projections are provided throughout the duration of the LAP that ends in 2004-05.
- **Tax Increment Finance District #1 Fund:** The Mercer Crossing TIF district expires in 2018 and the fund will be active until that expiration date. Revenues will be generated from bonds, developers' contributions and advances, and property tax payments.
- **Tax Increment Finance District #2 Fund:** The Old Farmers Branch TIF district expires in 2019 and the fund will be active until that expiration date. Revenues will be generated from bonds, developers' contributions and advances, and property tax payments.
- **Street Improvement/Animal Shelter Bond Fund:** The revenues consist primarily of certificate of obligation bond proceeds. Expenditures are for the construction of a new Animal Shelter and the reconstruction of several streets (Webb Chapel Road, Midway Road, and Benchmark).

Capital Improvement Program Budget

Project Descriptions for Adopted 2007-08 Budget

The following is a complete list of capital improvement projects that are currently underway or are planned for the future. The budget amount indicated below the name of each project represents the total budget for that project in that fund, as some projects are funded through more than one fund in the Capital Improvement Budget. Projects funded by the Pay-As-You-Go program are identified in the first three funds- the Non-Bond Fund, the Hotel/Motel CIP Fund, and the Non-Bond Utility Fund.

Changes to funding or scope of work of existing projects appear in *italicized, underlined print*. New projects appear in bold print. Discussions of funding and changes in scope of work approved in prior years have been deleted.

NON-BOND FUND

Fire Station No.3 & Administrative Facility

\$6,154,746

This project provides for the construction a third fire station and administrative offices for the Fire Department on the west side of the City. Operating Budget Impact: General Fund operating costs are expected to increase by approximately \$1,000,000 per year in order to staff this facility.

Oakbrook/Ken Rymer Park Amenities

\$1,271,012

The park is located at the corner of Oakbrook Parkway and Park Lake Court. Although the project is complete, the City is required to budget funds to meet the Corps of Engineers' requirements for maintaining water plantings. Operating Budget Impact: Increased maintenance costs associated with maintaining the landscaping and turf.

Playground/Park Renovations

\$816,113

The budget provides for playground or park renovations at various City parks, which are scheduled to occur every other year. Funding is provided from Parks and Recreation Department transfers. The budget has been increased to fund medians on Dennis Lane between Oran Good and pepper Parks. Operating Budget Impact: Minimal.

Oran Good Tennis Court Renovations/Removal

\$5,000

This budget provides funds to resurface the tennis courts with concrete, which will provide a safe surface for children to play. Operating Budget Impact: N/A.

Redevelopment Program

\$3,345,000

This program funds improvements to revitalization areas. Funds will be used to address the DART Station Area and other possible locations. The budget has been increased by \$285,000, which includes funding in 2013-14 plus funding for additional redevelopment projects such as beautification of Valley View/I-35 bridge and Penguin Plaza site, and asbestos remediation/removal of buildings in the Station Area. Operating Impact: Minimal.

NON-BOND FUND (continued)

Bridge- Farmers Branch Creek @ Mobil

\$300,000

The project provides funding for the installation of a bridge over Farmers Branch Creek west of Midway Road. The developer on the north side of the Mobil tract is providing \$100,000 to the City for the construction of a bridge over Farmers Branch Creek. The developer on the south side of the Mobil tract is providing \$200,000 to the City for the construction of a bridge over Farmers Branch Creek. A Developer's Contract with Mobil Technology Company sets forth the conditions relative to the timing of the construction of

the bridge, which is dependent upon development on the undeveloped tracts. Operating Budget Impact: None.

Rawhide Creek FEMA Study

\$182,000

The project provides for a hydrologic and hydraulic study to update the National Flood Insurance Maps. The map delineates the 100-year flood plain and is used to determine the cost of flood insurance. The last update was conducted in 1988. Operating Budget Impact: None.

Transit Oriented Development

\$708,026

This project provides funding for land acquisition and additional improvements around the proposed DART light rail station. Operating Budget Impact: Not applicable.

Railroad Crossing Improvements

\$1,125,000

This project funds the reconstruction of railroad crossings at various locations throughout the City. Funding is available from Public Works Department transfers. The budget has been increased by \$75,000, which includes funding in 2013-14. Operating Budget Impact: Reduced maintenance costs.

CDBG Sidewalk (Bee Street)

\$149,382

This project will provide sidewalks along Bee Street from Brandywine south to Havenhurst on the east and west sides of the street. Operating Budget Impact: Minimal maintenance costs.

CDBG Sidewalk (Havenhurst)

\$83,280

This project will fund sidewalk construction on the north side of Havenhurst Street from Bee Street to Dennis Lane. Funds for this project are available from CDBG monies. Operating Budget Impact: Minimal maintenance costs.

Sidewalks

\$100,000

This project will fund sidewalk construction and repair. Funds for this project are available from Non-Bond CIP Fund Balance. Operating Budget Impact: Minimal maintenance costs.

Replace Pedestrian Bridge (near Templeton)

\$150,000

This project will replace the existing pedestrian bridge and fund construction of a new pedestrian bridge on the south side of Valley View Lane near Templeton Trails. The existing bridge does not meet federal standards related to ADA requirements. Funds for this project are available from budget reductions in the Longmeade Street Reconstruction project. Operating Budget Impact: Reduce maintenance costs by eliminating need to replace major wood components.

NON-BOND FUND (Continued)

Luna-Mira Lago Frontage Road Connection

\$555,400

This project provides for the construction of an eastbound service road connection between Luna Road and the Mira Lago development on the City's Westside. The zoning for the Mira Lago development requires this service road. The developer is providing funding for this project. Operating Budget Impact: None.

Railroad Crossing Signal Controllers (DART)

\$150,000

This project provides for the construction of signal controllers installed at the DART railroad crossings with the building of the light rail line. DART will be reimbursing the City for the full cost of installing the controllers. Operating Impact: None.

Screen Wall Assistance

\$75,000

This is a new project to provide assistance for reconstructing and repairing screening walls. City staff is currently developing program specifics. Operating Impact: Unknown until program is fully developed.

Beautification Projects

\$200,000

This is a new project to provide funding to enhance and beautify specific areas within the City as identified by the City Council. Operating Impact: Unknown until specific projects are identified.

Liberty Plaza

\$350,000

This is a new project to construct a plaza south of the Dr Pepper StarCenter. The components of the plaza and conceptual design have yet to be finalized. Full implementation of the plaza may be completed in phases over multiple fiscal years. Operating Impact: Unknown until plans are fully developed.

City Entryway Enhancements

\$50,000

This is a new project to construct and enhance the entryway monuments marking prominent entrances to the City. Operating Impact: Unknown until program is fully developed.

Transit Square

\$325,000

This is a new project to construct public open space, which is identified in the Farmers Branch Station Area Code. The square will be located south of the DART Park and Ride, north of Buttonwood and bordered by Denton Dr. and the DART rail line to the east and west, respectively. Amenities at the square will be complementary to urban vision of FB Station.

Streetscape Enhancements

\$80,000

This is a new project to provide funding for streetscape enhancements within the City's residential neighborhoods. Streetscape enhancements may include items such as decorative streetlights and traffic signal arms, decorative street signs, and other hardscape improvements. Operating Impact: None.

NON-BOND FUND (Continued)

Street Resurfacing Program

\$20,519,567

This project provides for the annual resurfacing of various street as identified in the annual street evaluation program. The budget has been increased by \$2,600,000, which provides an additional year of funding in 2013-14 and additional funding in 2007-08 and 2008-09 to partially offset increases in asphalt prices. Operating Budget Impact: Reduced maintenance costs because resurfacing preserves/extends the life of miles of streets that would be expensive to reconstruct.

2003-04 Street Reconstruction- Longmeade Drive

\$1,360,042

This project provides for the reconstruction of pavement, sidewalks, and drive approaches on Longmeade Drive from Webb Chapel Road to Golfing Green Drive. The total project budget is \$1,710,042. The water line improvements associated with the street reconstruction are partially funded in the Non-Bond Utility Fund (\$350,000). Operating Budget Impact: Reduced costs associated with maintaining the pavement.

Farmers Branch Station Streets

\$268,200

This is a new project to construct various street improvements within the Station Area. The streets to be addressed include:

- Bee Street from Pepperwood to Buttonwood
- Buttonwood from Bee to City Hall
- 8' x 5' Box Culvert from the Station Area to Rawhide Creek
- Savannah Square at Buttonwood and Bee

Street reconstruction will include reconstruction of pavement, sidewalks, and drive approaches, as well as drainage, water and sewer line improvements. The total budget for this project is \$1,168,200. Supplemental funding is available in Non-Bond Utility Fund (\$450,000), DART Fund (\$325,000) and TIF #2 Fund (\$125,000). Operating Budget Impact: Reduced costs associated with maintaining the pavement.

2004-07 Street Reconstruction- Senlac Drive

\$2,025,000

This project provides for the reconstruction of Senlac Drive, from Diplomat Drive to Valwood Parkway. The total project budget (\$2,700,000) has been reduced by \$300,000 based on the bids received. The water line improvements associated with the street reconstruction are partially funded in the Non-Bond Utility Fund (\$675,000). Operating Budget Impact: Reduced costs associated with maintaining the pavement.

HOTEL/MOTEL CAPITAL IMPROVEMENT FUND

Future Project

\$123,074

These funds are reserved for future projects as determined by the City Council. Operating Budget Impact: Unknown until project is identified.

Historical Park Masterplan

\$30,000

The masterplan will guide future development of the Park's programs and facilities. Specifically, the masterplan will focus on identifying programs, tours, and activities that can be offered at the Park, as well as developing design elements for a museum structure at the Park. Operating Budget Impact: Unknown until results of the masterplan are submitted to the City.

NON-BOND UTILITY FUND

Utility Replacement & Improvement

\$13,535,500

This project funds rehabilitation and replacement of water lines and sanitary sewers throughout the City. The budget has been increased by \$1,650,000, which includes funding in 2013-14. Operating Budget Impact: These improvements (1) reduce maintenance costs associated with sanitary sewer blockages; (2) reduce inflow and infiltration of ground water that increase wastewater treatment costs; and (3) reduce maintenance costs associated with water line breaks.

I & I Repairs

\$1,539,187

This is a yearly program that will provide for inflow and infiltration reduction improvements on the sanitary sewer system. Expenditures in future years will focus on identifying problems areas within the City so repairs can be made. The budget has been increased by \$150,000, which includes funding in 2013-14. Operating Budget Impact: These improvements reduce maintenance costs associated with reduce inflow and infiltration of ground water that increase wastewater treatment costs.

Service Center Improvements

\$1,800,000

This project was previously identified as "Westside Facility Improvements." This budget provides for Service Center improvements associated with operation and maintenance of the water and sanitary sewer system. The budget was increased from \$800,000 and includes \$150,000 for a study to develop a facility improvement plan. Expenditures in 2011-12, which are associated with the 2005-06 Needs Assessment presented to City Council, are earmarked for Service Center improvements related to supporting water and sanitary sewer operations. Operating Impact: Unclear until project scope is identified.

Replace I-35/Valwood Lift Station

\$298,797

This project provides funding for the replacement of the existing lift station at the southeast corner of Valwood Parkway and I-35. Operating Budget Impact: Unclear until project scope is identified.

Sanitary Sewer Protection- Lost Valley (Farmers Branch Creek)

\$250,000

This project will protect several hundred feet of unprotected sanitary sewer line along the banks. The project budget has been increased from \$200,756 based on bids received. Funding for this increase is available from Non-Bond Utility Fund Balance. Operating Budget Impact: Reduces maintenance and repair costs; reduced risk to the City.

Technology/Security Improvements

\$1,405,000

This project provides system-wide improvements to the water distribution system. The improvements consist of technology upgrades of system control, equipment and systems to continuously monitor water quality, and security improvements. Funding has been allocated from Non-Bond Utility fund balance and Reserves for Cost Increases. The budget has been increased by \$25,000, which includes funding in 2013-14. Operating Budget Impact: The goal of the technology improvements is to automate and streamline processes that are currently done manually, which will increase reliability and may decrease costs related to testing the water system. However, some of the software will require maintenance and periodic updates. The security improvements may also reduce operational costs through the installation of security systems that can be accessed remotely via the Internet instead of requiring a manual check of the system. Until specific systems are in place for both security and technology upgrades, the impact on the operating budget is difficult to assess.

NON-BOND UTILITY FUND (Continued)

Motor/Pump/Tank Improvements

\$1,897,534

This project will rehabilitate and/or replace major components of the water distribution system. The improvements are focused on improving system reliability by lowering maintenance costs, reducing power outages, increasing efficiency, and extending the useful lives of equipment and facilities. Funding has been allocated from Non-Bond Utility fund balance and Reserves for Cost Increases. The budget has been increased by \$30,000, which includes funding in 2013-14. Operating Budget Impact: Reduces maintenance costs.

Hard Points/Sewer Protection- Farmers Branch Creek

\$390,000

This project provides funding for maintaining and protecting the integrity of the sanitary sewer system in areas along Farmers Branch Creek where it is threatened by erosion or sedimentation. The budget has been decreased by \$50,000 to provide additional funding for the sanitary sewer protection at Lost Valley (see narrative above). Operating Budget Impact: See Non-Bond CIP Fund.

2003-04 Street Reconstruction: Longmeade Drive

\$350,000

This project provides for water line improvements associated with the street reconstruction. The total project budget is \$1,900,000 with \$1,550,000 funded in the Non-Bond Fund. Operating Budget Impact: Reduced costs associated with maintaining the water/sewer lines.

2004-07 Street Reconstruction: Senlac Drive

\$675,000

This project provides for water line improvements associated with the street reconstruction. The total project budget is \$3,000,000 with \$2,325,000 funded in the Non-Bond Fund. Operating Budget Impact: Reduced costs associated with maintaining the water/sewer lines.

Benchmark Water/SS Line

\$393,000

This is a new project that provides for the construction of new water and sewer lines associated with the reconstruction of Benchmark Drive. The total project budget is \$1,100,000 with \$707,000 funded in the Certificates of Obligation 2006 Issue Fund. Operating Budget Impact: Reduced costs associated with maintaining the water/sewer lines.

Street Program- Water/SS Line Improvements:

\$657,000

The water line improvements associated with the street reconstruction program are partially funded in the Non-Bond Utility Fund. The budget has been decreased by \$393,000 to provide funding for the water line and sanitary sewer line replacement associated with the reconstruction of Benchmark Drive. Operating Budget Impact: Reduced costs associated with maintaining the water/sewer lines.

NON-BOND UTILITY FUND (Continued)

Farmers Branch Station Streets

\$450,000

This is a new project to construct various street improvements within the Station Area. The streets to be addressed include:

- Bee Street from Pepperwood to Buttonwood
- Buttonwood from Bee to City Hall
- 8' x 5' Box Culvert from the Station Area to Rawhide Creek
- Savannah Square at Buttonwood and Bee

Street reconstruction will include reconstruction of pavement, sidewalks, and drive approaches, as well as drainage, water and sewer line improvements. The total budget for this project is \$1,168,200. Supplemental funding is available in Non-Bond Fund (\$268,200), DART Fund (\$325,000) and TIF #2 Fund (\$125,000). Operating Budget Impact: Reduced costs associated with maintaining the pavement.

DART LOCAL ASSISTANCE PROGRAM FUND

Valley View West

\$2,077,588

The roadway construction portion of this project, which widened Valley View Lane from 4 to 6 lanes between Nicholson and Luna Roads, has been completed. The project budget has increased by \$100,000 based on revised construction costs for the streetlight installation and median enhancements. Operating Budget Impact: Increased costs associated with maintaining the plantings in the medians.

Incident Detection and Response Phase 2

\$630,000

This project will provide for improved video monitoring, expanded automated travel time monitoring, expanded motorist communication and improved signal system. Operating Budget Impact: Minimal.

Eastside Transportation Management Association

\$120,000

This project is intended to form a partnership with employers to develop more efficient transportation solution in the Dallas North Tollway corridor. Additional funds will be provided by Texas Department of Transportation. Operating Budget Impact: Minimal.

Traffic Signal Communications

\$400,000

This project will provide for cable to be installed to connect the traffic signals west of Marsh Lane with fiber. This will have two benefits for the City. First, the City can eliminate the phone lines that have previously linked the traffic signals. Second, the fiber can also be used to connect City facilities, which will eliminate the need for a number of T1 switches. Operating Budget Impact: Substantially eliminate annual cost of T1 switches.

Luna/LBJ Traffic Signal

\$275,000

This project will provide for the replacement of the existing traffic signal at LBJ Freeway and Luna Road. The location of several traffic signal poles is too close to the curb line and they have been struck numerous time by moving vehicles. In addition, many of the lights are in need of replacement. The project will also include installation of opticom system for public safety purposes. The project budget has increased by \$25,000 to purchase new signal controller software. Funding is available from DART fund balance. Operating Budget Impact: No additional impact.

DART LOCAL ASSISTANCE PROGRAM FUND (continued)

Incident Detection and Response Phase 3

\$300,000

This project will provide for improved communication of traffic video and camera control data and an automated traffic congestion map of major Farmers Branch Streets. Currently, traffic video communication between City Hall and the camera locations is carried by the Cable television franchisee. The Cable system has proven to be unreliable and often provides poor quality images. Often camera control is not possible. A TxDOT grant will provide 80% of the project funding. The project requires \$40,000 of local matching funds.

Traffic Counts

\$30,000

This is a new project that will collect updated traffic counts from the streets throughout the City. The last traffic count was completed 3-4 years ago. Operating Budget Impact: Impact is unknown until results of traffic count are finalized.

Farmers Branch Station Streets

\$325,000

This is a new project to construct various street improvements within the Station Area. The streets to be addressed include:

- Bee Street from Pepperwood to Buttonwood
- Buttonwood from Bee to City Hall
- 8' x 5' Box Culvert from the Station Area to Rawhide Creek
- Savannah Square at Buttonwood and Bee

Street reconstruction will include reconstruction of pavement, sidewalks, and drive approaches, as well as drainage, water and sewer line improvements. The total budget for this project is \$1,168,200. Supplemental funding is available in Non-Bond Fund (\$268,200), Non-Bond Utility Fund (\$450,000) and TIF #2 Fund

(\$125,000). Operating Budget Impact: Reduced costs associated with maintaining the pavement.

Transit Center Streets

\$0

Funding for this project has been reallocated to fund Farmers Branch Station Streets project.

TAX INCREMENT FINANCE DISTRICT #1

Zone School Project Costs: Carrollton-Farmers Branch Independent School District

\$4,538,251

The Tax Increment Finance (TIF) District provides for the construction of a school within the TIF district. As specified in the TIF agreement, Carrollton-Farmers Branch Independent School District will require 65% of their tax increment payments for school purposes in accordance with the agreement between the City and CFBISD. The budget has been increased by \$480,153, which includes funding in 2010-11. Operating Budget Impact: None.

Zone School Project Costs: Dallas Independent School District

\$953

As specified in the TIF agreement, Dallas Independent School District (DISD) will require 20% of their tax increment payments for school purposes in accordance with the agreement between the City and DISD. The budget has been increased by \$210, which includes funding in 2010-11. Operating Budget Impact: None.

TAX INCREMENT FINANCE DISTRICT #1 (continued)

Mercer Boulevard

\$3,650,000

This project provides funding for the construction of a new street, Mercer Boulevard (previously named Westside Parkway) from Valley View Lane to Luna Road. The developer will be advancing funds for this project. Operating Budget Impact: Increased costs associated with maintaining the plantings in the medians until the property owners association, which will assume responsibility for maintenance of the landscaping, is created; economic growth is anticipated to result.

Lake Improvements: north of I-635

\$3,000,000

This project provides for a hydraulic analysis of the sump storage on the Westside and design of lake improvements that will be the focal point for Westside development. A developer will be providing advance funding for this project. Operating Budget Impact: Minimal; economic growth is anticipated to result.

"Peninsula Tract" improvements

\$3,000,000

This project will provide for the construction of improvements on approximately 66 acres of land southwest of IH-635 and Luna Road. The improvements will include water distribution, sanitary sewer collection, and drainage systems; sidewalks and pathways; streets with enhanced pavement and pavement markings; streetlights and signage; traffic control devices; lake edge treatment; and landscaping and irrigation system in the medians and public areas. Funding for this project is available from TIF 1 funds. The developer will advance funds for design of Phase 2. Operating Budget Impact: Increased costs associated with maintaining the plantings in the medians until the property owners association, which will assume responsibility for maintenance of the landscaping, is created; economic growth is anticipated to result.

Development Signs
\$380,000

This project will construct development signs for Mercer Crossing. The City will design and construct the signs. The developer will advance funds for this project. Operating Budget Impact: None.

Mercer Parkway Extension (Luna Road to I-35)
\$8,962,000

This project will extend Mercer Parkway from Luna Road to I-35 and will also include median plantings, lighting, and utilities. The developer will advance funds for this project. Operating Budget Impact: Increased maintenance of medians and street pavement. However, this street will provide adequate infrastructure that will foster economic growth in the area.

Knightsbridge Road
\$6,973,000

This project will construct a street that will connect Wittington Place to Luna Road. The project will also include lighting and installation of utilities. The developer will advance funds for this project. Operating Budget Impact: Increased maintenance of medians and street pavement. However, this street will provide adequate infrastructure that will foster economic growth in the area.

TAX INCREMENT FINANCE DISTRICT #1 (continued)

Bond Street
\$710,000

This project will construct a street between Mercer Parkway and LBJ Freeway. The project also includes lighting and installation of utilities. The developer will advance funds for this project. Operating Budget Impact: Increased maintenance of medians and street pavement. However, this street will provide adequate infrastructure that will foster economic growth in the area.

East Lift Station
\$1,685,000

This project provides for improvements to the sanitary sewer collection system to allow for development on the eastern portion of the City's Westside. The developer will advance funds for this project. Operating Budget Impact: Increased maintenance of medians and street pavement. However, this street will provide adequate infrastructure that will foster economic growth in the area.

Luna Road Lift Station
\$650,000

This project provides for improvements to the sanitary sewer collection system to allow for development on the western portion of the City's Westside. A developer will be providing advance funding for this project. The total project budget is \$850,000. Supplemental funding is available in the Non Bond Utility Fund (\$200,000). Operating Budget Impact: See Non-Bond Utility Fund.

Lake Improvements: south of I-635
\$2,500,000

This new project provides for the design and construction of a lake located south of IH-635, east of Luna Road. A developer will be providing advance funding for this project.

TAX INCREMENT FINANCE DISTRICT #2

Zone School Project Costs: Carrollton-Farmers Branch Independent School District

\$6,314

As specified in the TIF agreement, Carrollton-Farmers Branch Independent School District (CFBISD) will require 30% of their tax increment payments for school purposes in accordance with the agreement between the City and CFBISD. The budget has been increased by \$242, which includes funding in 2010-11. based on actual TIF revenues received from CFBISD. Operating Budget Impact: None.

Farmers Branch Station Streets

\$125,000

This is a new project to construct various street improvements within the Station Area. The streets to be addressed include:

- Bee Street from Pepperwood to Buttonwood
- Buttonwood from Bee to City Hall
- 8' x 5' Box Culvert from the Station Area to Rawhide Creek
- Savannah Square at Buttonwood and Bee

Street reconstruction will include reconstruction of pavement, sidewalks, and drive approaches, as well as drainage, water and sewer line improvements. The total budget for this project is \$1,168,200. Supplemental funding is available in Non-Bond Fund (\$268,200), Non-Bond Utility Fund (\$450,000) and DART Fund (\$325,000). Operating Budget Impact: Reduced costs associated with maintaining the pavement.

TAX INCREMENT FINANCE DISTRICT #2 (continued)

Phase One Public Improvements/Enhancements

\$145,000

These funds will be used for the initial public infrastructure improvements, such as paving, drainage, and utilities, as well as other enhancements to the Station Area. The project has been completed and the budget has been reduced to provide assistance for the Farmers Branch Station Streets project.

STREET IMPROVEMENT/ANIMAL SHELTER BOND FUND

Animal Shelter

\$1,616,000

This is a new project to construct a new Animal Shelter. The new shelter will include amenities designed to enhance adoptions, increase holding space, and improve kennel areas for the animals. An exercise yard, individual kennels, volunteer office, meet and greet room, and a drive through loading/unloading area are among the upgrades planned for the new 5,000 square foot facility.

Webb Chapel Rd. Rehabilitation

\$3,577,000

This is a new project to rehabilitate Webb Chapel Road from Southern Pines to IH 635. Work will include repairing broken pavement and resurfacing with asphalt. Operating Budget Impact: Reduced costs associated with maintaining the pavement.

Midway Rd. Rehabilitation

\$1,800,000

This is a new project to rehabilitate Midway Road from IH 635 to Spring Valley Road. Work will include repairing broken pavement and resurfacing with asphalt. Operating Budget Impact: Reduced costs associated with maintaining the pavement.

Benchmark Dr. Reconstruction

\$707,000

This is a new project to reconstruct Benchmark Drive from Hutton Court to Diplomat Drive. Work will include rebuilding pavement, driveway approaches, storm sewers, and sanitary sewer lines. Operating Budget Impact: Reduced costs associated with maintaining the pavement.

Legend

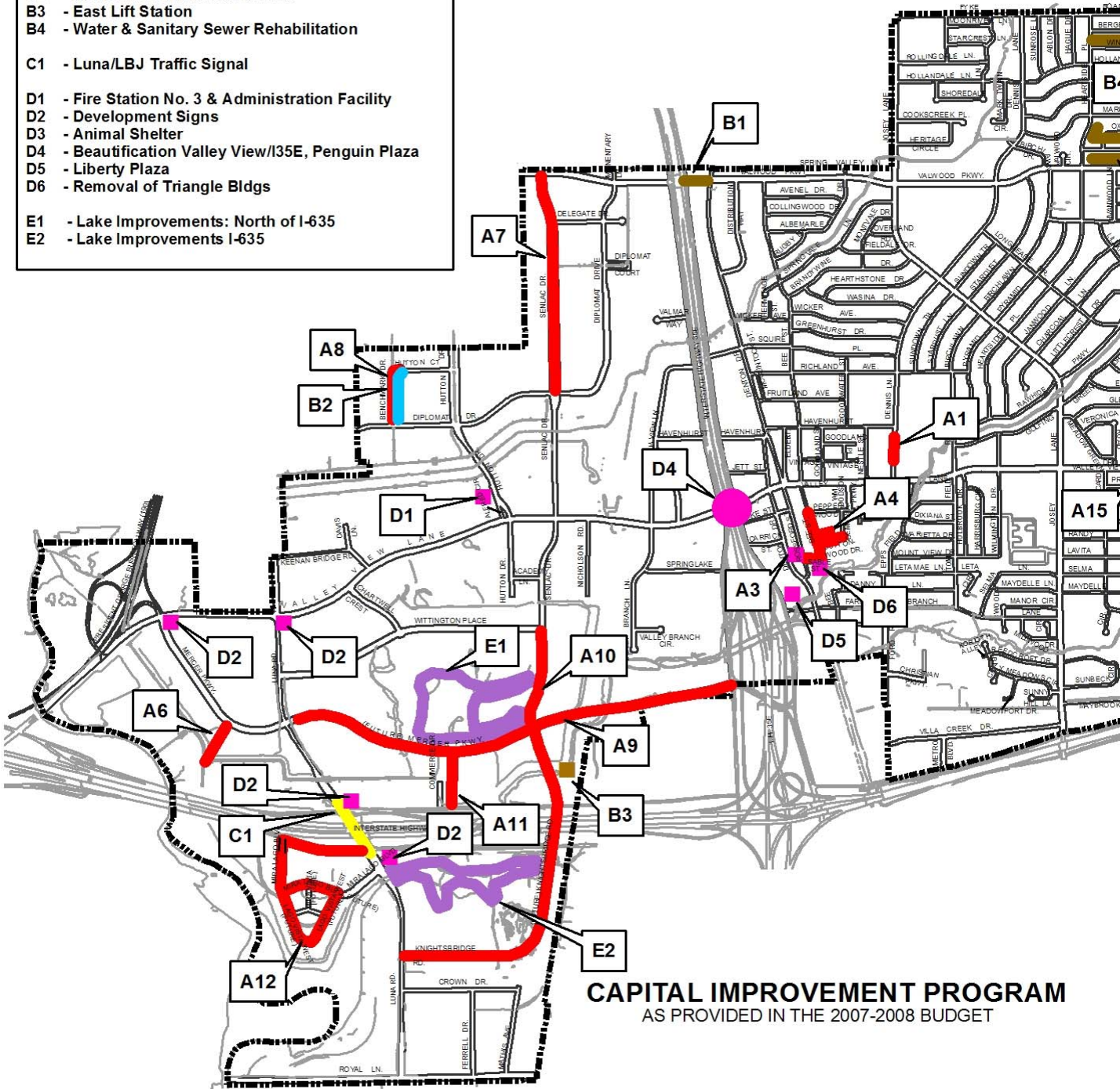
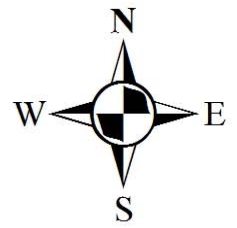
- A1 - Dennis Ln Median Enhancements at Pepper Park
- A2 - Farmers Branch Creek @ Mobil
- A3 - Transit Square
- A4 - Farmers Branch Station Streets
- A5 - Pedestrian Bridge Near Templeton
- A6 - Luna/Mira Lago Frontage Road Connection
- A7 - 2004-07 Street Reconstruction: Senlac Dr
- A8 - Benchmark Reconstruction
- A9 - Mercer Pkwy Extension (Luna RD to I-35)
- A10 - Knightsbridge Road
- A11 - Bond Street
- A12 - Peninsula Tract Improvement
- A13 - Webb Chapel Road Rehabilitation
- A14 - Midway Road Rehabilitation
- A15 - Screening Wall Assistance at Las Campanas

- B1 - Replace I-35/Valwood Lift Station
- B2 - Benchmark Water/Sewer Line
- B3 - East Lift Station
- B4 - Water & Sanitary Sewer Rehabilitation

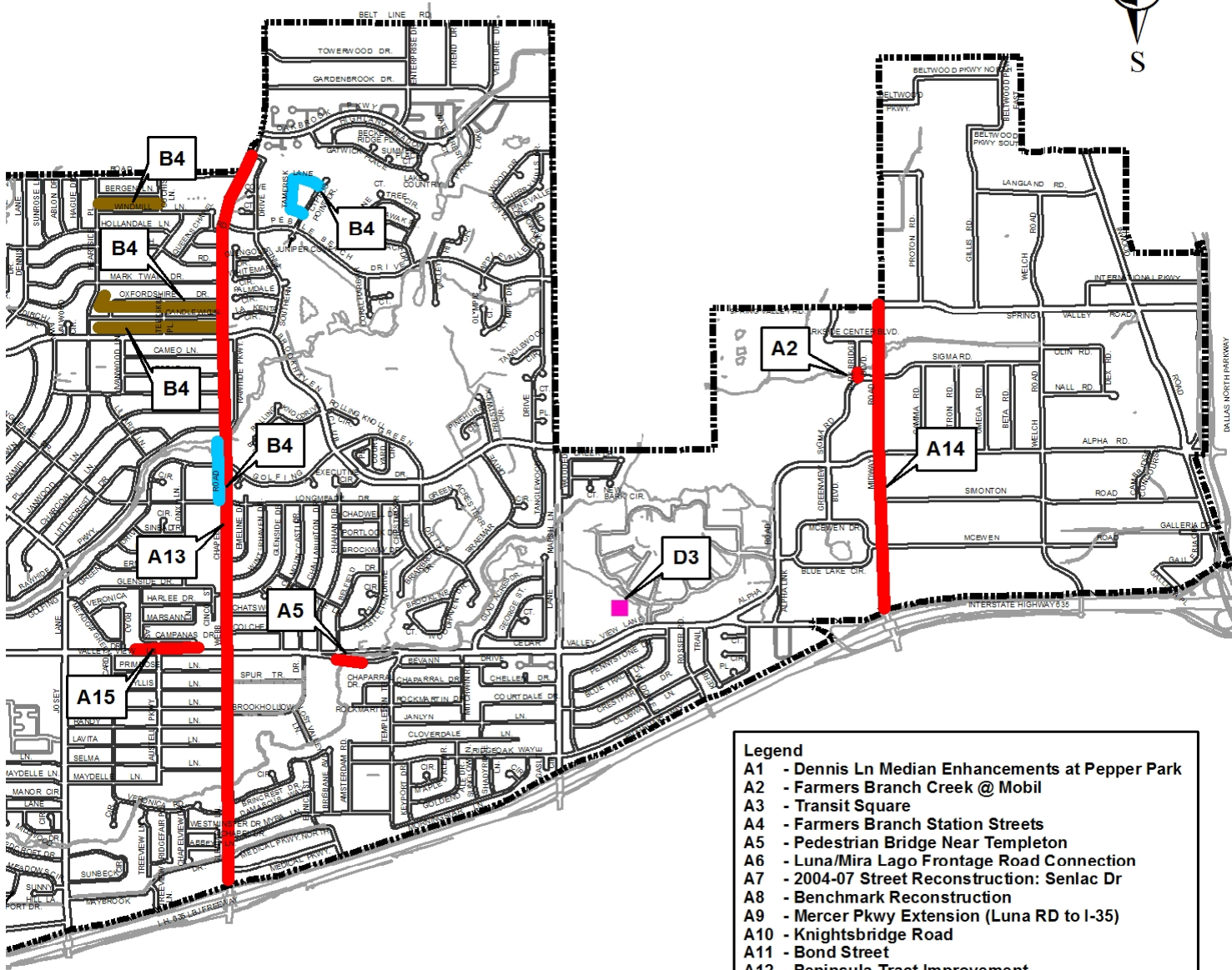
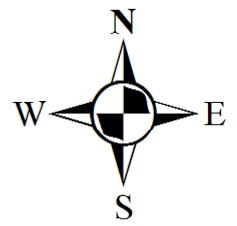
- C1 - Luna/LBJ Traffic Signal

- D1 - Fire Station No. 3 & Administration Facility
- D2 - Development Signs
- D3 - Animal Shelter
- D4 - Beautification Valley View/I35E, Penguin Plaza
- D5 - Liberty Plaza
- D6 - Removal of Triangle Bldgs

- E1 - Lake Improvements: North of I-635
- E2 - Lake Improvements I-635



CAPITAL IMPROVEMENT PROGRAM
AS PROVIDED IN THE 2007-2008 BUDGET



CAPITAL IMPROVEMENT PROGRAM

AS PROVIDED IN THE 2007-2008 BUDGET

Legend

- A1 - Dennis Ln Median Enhancements at Pepper Park
- A2 - Farmers Branch Creek @ Mobil
- A3 - Transit Square
- A4 - Farmers Branch Station Streets
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- A12 - Peninsula Tract Improvement
- A13 - Webb Chapel Road Rehabilitation
- A14 - Midway Road Rehabilitation
- A15 - Screening Wall Assistance at Las Campanas

- B1 - Replace I-35/Valwood Lift Station
- B2 - Benchmark Water/Sewer Line
- B3 - East Lift Station
- B4 - Water & Sanitary Sewer Rehabilitation

- C1 - Luna/LBJ Traffic Signal

- D1 - Fire Station No. 3 & Administration Facility
- D2 - Development Signs
- D3 - Animal Shelter
- D4 - Beautification Valley View/I35E, Penguin Plaza
- D5 - Liberty Plaza
- D6 - Removal of Triangle Bldgs

- E1 - Lake Improvements: North of I-635
- E2 - Lake Improvements I-635

**CITY OF FARMERS BRANCH
CAPITAL IMPROVEMENT PROGRAM
SUMMARY
2007-08 ADOPTED BUDGET**

		PRIOR YEARS	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
<u>REVENUES</u>									
Non-Bond CIP Fund	\$ 84,841,479	68,887,379	1,301,700	2,434,900	2,394,300	2,148,100	2,392,000	2,642,700	2,640,400
Hotel/Motel CIP Fund	\$ 4,227,719	4,224,019	2,800	400	500				
Non-Bond Utility Fund	\$ 30,060,938	18,248,138	1,501,300	1,546,200	1,609,800	1,709,900	1,717,000	1,815,200	1,913,400
DART LAP Fund	\$ 25,098,983	25,098,983							
Tax Increment Finance District #1 Fund	\$ 41,680,978	19,490,644	12,137,097	8,195,202	906,360	951,676			
Tax Increment Finance District #2 Fund	\$ 322,495	268,300	12,574	13,203	13,863	14,556			
Street Improvement/Animal Shelter Bond F	\$ 7,700,000	7,700,000							
TOTAL REVENUES	\$ 193,932,593	143,917,463	14,955,471	12,189,904	4,924,823	4,824,232	4,109,000	4,457,900	4,553,800
<u>EXPENDITURES</u>									
Non-Bond CIP Fund	\$ 83,652,874	60,143,142	8,859,732	2,200,000	2,300,000	2,300,000	2,375,000	2,700,000	2,775,000
Hotel/Motel CIP Fund	\$ 4,204,707	4,081,633	123,074						
Non-Bond Utility Fund	\$ 29,481,474	13,184,096	4,255,378	3,368,000	1,604,000	1,355,000	1,805,000	1,905,000	2,005,000
DART LAP Fund	\$ 25,072,405	24,197,405	875,000						
Tax Increment Finance District #1 Fund	\$ 39,490,977	14,903,469	8,014,955	8,934,703	7,107,488	530,362			
Tax Increment Finance District #2 Fund	\$ 291,257	165,357	75,209	50,219	230	242			
Street Improvement/Animal Shelter Bond F	\$ 7,700,000	-	3,338,500	4,361,500					
TOTAL EXPENDITURES	\$ 189,893,693	116,675,101	25,541,848	18,914,422	11,011,718	4,185,604	4,180,000	4,605,000	4,780,000

**CITY OF FARMERS BRANCH
CAPITAL IMPROVEMENT PROGRAM
NON-BOND CIP FUND
2007-08 ADOPTED BUDGET**

REVENUE SOURCES:

	PROJECT BUDGET	PRIOR YEARS	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Prior Years	\$ 4,240,303	4,240,303							
North Texas Tollway Authority	\$ 150,000	150,000							
Interest	\$ 8,012,595	7,670,995	14,200	47,400	56,800	60,600	54,500	55,200	52,900
Developer Contributions	\$ 1,446,875	1,446,875							
Fire Station #3 Reimbursement	\$ 1,000,000			1,000,000					
Public Improvement District [1]	\$ 1,500,000		500,000	500,000	500,000				
DART Signal Reimbursement	\$ 150,000		150,000						
CDBG Funds	\$ 372,706	372,706							
<i>Subtotal</i> Revenues Excluding Transfers	\$ 16,872,479	13,880,879	664,200	1,547,400	556,800	60,600	54,500	55,200	52,900
<i>Transfer of General Fund Balance</i>									
Prior Years	\$ 15,141,000	15,141,000							
Fire Station #3	\$ 3,300,000	3,300,000							
Miscellaneous	\$ 1,000,000	1,000,000							
<i>Subtotal</i> Transfer of General Fund Balance	\$ 19,441,000	19,441,000							
<i>General Fund Transfers</i>									
Prior Years [2]	\$ 8,388,000	8,388,000							
Street Program Transfer [3]	\$ 26,818,000	14,818,000	500,000	750,000	1,700,000	1,950,000	2,200,000	2,450,000	2,450,000
<i>Subtotal</i> General Fund Transfers	\$ 35,206,000	23,206,000	500,000	750,000	1,700,000	1,950,000	2,200,000	2,450,000	2,450,000
<i>Departmental Transfers</i>									
Police Department	\$ 1,765,000	1,765,000							
Equipment Services	\$ 275,000	275,000							
Fire Department	\$ 418,500	418,500							
Fire Station No. 3 & Administration Facility	\$ 2,900,000	2,900,000							
Parks & Recreation Department	\$ 3,226,000	3,226,000							
Playground/Park Renovations	\$ 687,500	250,000	62,500	62,500	62,500	62,500	62,500	62,500	62,500
Library	\$ 85,000	85,000							
Public Works Department	\$ 2,736,000	2,736,000							
Streets/Railroad Crossings	\$ 1,229,000	704,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
<i>Subtotal</i> Departmental Transfers	\$ 13,322,000	12,359,500	137,500	137,500	137,500	137,500	137,500	137,500	137,500
TOTAL REVENUES:	\$ 84,841,479	68,887,379	1,301,700	2,434,900	2,394,300	2,148,100	2,392,000	2,642,700	2,640,400

PROJECTED EXPENDITURES

Completed Projects

Prior Years [1]	\$ 41,388,165	41,388,165							
Mallon Lake Improvements	\$ 169,577	169,577							
Mustang Trail Erosion Control	\$ 168,901	168,901							
Traffic Signal: Valley View Lane & G. Bush Tollway	\$ 149,462	149,462							
1999-2000 St Recon. (N. Josey)	\$ 4,000	4,000							
2002-03 (Braemar Circle) [4]	\$ 425,000	425,000							

Current and Future Projects

<i>Fire Department</i>									
Fire Station No. 3 & Admin. Facility	\$ 6,154,746	703,349	5,451,397						
<i>Parks & Recreation Department</i>									
Oakbrook/Ken Rymer Park Amenities	\$ 1,271,012	1,265,012	6,000						
Playground/Park Renovations	\$ 816,113	441,113		125,000		125,000		125,000	

**CITY OF FARMERS BRANCH
CAPITAL IMPROVEMENT PROGRAM
NON-BOND CIP FUND
2007-08 ADOPTED BUDGET**

	PROJECT BUDGET	PRIOR YEARS	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Miscellaneous Projects									
Oran Good Tennis Court Renovations	\$ 5,000		5,000						
Redevelopment Program	\$ 3,345,000	2,460,000	285,000	100,000	100,000	100,000	100,000	100,000	100,000
Bridge-Farmers Branch Creek @ Mobil	\$ 300,000		300,000						
Rawhide Creek FEMA Study	\$ 182,000	182,000							
Transit Oriented Development	\$ 708,026	588,891	119,135						
Railroad Crossing Improvements	\$ 1,125,000	505,000	170,000	75,000	75,000	75,000	75,000	75,000	75,000
CDBG Sidewalk (Bee Street)	\$ 149,382	149,382							
CDBG Sidewalk (Havenhurst)	\$ 83,280	83,280							
Sidewalks	\$ 100,000	100,000							
Replace Pedestrian Bridge (near Templeton)	\$ 150,000	100,000	50,000						
Luna-Mira Lago Frontage Road Connection	\$ 555,400	555,400							
Railroad Crossing Signal Controllers (DART)	\$ 150,000			150,000					
Screen Wall Assistance	\$ 75,000		75,000						
Beautification Projects	\$ 200,000		200,000						
Liberty Plaza	\$ 350,000		200,000	150,000					
City Entryway Enhancements	\$ 50,000		50,000						
Transit Square	\$ 325,000				325,000				
Streetscape Enhancements	\$ 80,000		80,000						
Street Program									
Street Resurfacing	\$ 20,519,567	6,319,567	1,600,000	1,600,000	1,800,000	2,000,000	2,200,000	2,400,000	2,600,000
Street Reconstruction Projects									
2003-04 (Longmeade) [4]	\$ 1,360,042	1,360,042							
Farmers Branch Station Streets	\$ 268,200		268,200						
2004-07 (Senlac Drive, north of Diplomat) [4]	\$ 2,025,000	2,025,000							
TOTAL PLANNED EXPENDITURES:	\$ 82,652,874	59,143,142	8,859,732	2,200,000	2,300,000	2,300,000	2,375,000	2,700,000	2,775,000
Transfers Out	\$ 1,000,000	1,000,000							
TOTAL EXPENDITURES:	\$ 83,652,874	60,143,142	8,859,732	2,200,000	2,300,000	2,300,000	2,375,000	2,700,000	2,775,000
RESERVED FOR CONTINGENCIES:									
	\$ 1,188,605	8,744,237	1,186,205	1,421,105	1,515,405	1,363,505	1,380,505	1,323,205	1,188,605

[1] Funding is from savings resulting from the early payoff of public improvement district (PID) debt.

[2] A list of completed projects is available upon request.

[3] Funding in 2007-08 is from early payoff of PID debt.

[4] Supplemental funding provided in the Non-Bond Utility Fund for water and sanitary sewer line improvements associated with the street reconstruction.

**CITY OF FARMERS BRANCH
CAPITAL IMPROVEMENT PROGRAM
HOTEL/MOTEL CIP FUND
2007-08 ADOPTED BUDGET**

REVENUE SOURCES:

Appropriated Fund Balance	\$ 200,199	200,199			
Interest	\$ 283,120	279,420	2,800	400	500
Hotel/Motel Transfer from Non-Bond CIP	\$ 360,400	360,400			
Hotel/Motel Transfers	\$ 3,384,000	3,384,000			

TOTAL REVENUES:

\$ 4,227,719	4,224,019	2,800	400	500
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PROJECTED EXPENDITURES

Completed Projects

Prior Years [1]	\$ 4,051,632	4,051,632			
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Current and Future Projects

Future Project	\$ 123,074		123,074		
Historical Park Masterplan	\$ 30,001	30,001			

TOTAL EXPENDITURES:

\$ 4,204,707	4,081,633	123,074			
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RESERVED FOR CONTINGENCIES:

\$ 23,013	142,387	22,113	22,513	23,013
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[1] A list of completed projects is available upon request.

**CITY OF FARMERS BRANCH
CAPITAL IMPROVEMENT PROGRAM
NON-BOND UTILITY FUND
2007-08 ADOPTED BUDGET**

REVENUE SOURCES:

	PROJECT BUDGET	PRIOR YEARS	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Transfer from Water & Sewer Fund Operations [1]	\$ 20,999,346	9,399,346	1,400,000	1,500,000	1,600,000	1,700,000	1,700,000	1,800,000	1,900,000
Transfer from Water & Sewer Fund - Fund Balance	\$ 6,200,000	6,200,000							
Transfer from Sewer Interceptor Fund	\$ 259,069	259,069							
Interest	\$ 2,320,218	2,107,418	101,300	46,200	9,800	9,900	17,000	15,200	13,400
CDBG	\$ 282,305	282,305							
TOTAL REVENUES:	\$ 30,060,938	18,248,138	1,501,300	1,546,200	1,609,800	1,709,900	1,717,000	1,815,200	1,913,400

PROJECTED EXPENDITURES

Completed Projects

Prior Years [2] \$ 6,290,454 6,290,455

Current and Future Projects

Utility Replacement & Improvements	\$ 13,085,500	4,500,000	1,635,500	700,000	600,000	1,000,000	1,450,000	1,550,000	1,650,000
I & I Repairs	\$ 1,539,188	385,188	254,000	150,000	150,000	150,000	150,000	150,000	150,000
Service Center Improvements	\$ 1,800,000	150,000		1,650,000					
Replace I-35/Valwood Lift Station	\$ 298,797	298,797							
Sanitary Sewer Protection- FB Creek (Lost Valley)	\$ 250,000	100,000	150,000						
Technology/Security Improvements	\$ 1,405,000	178,000	615,000	275,000	237,000	25,000	25,000	25,000	25,000
Motor/Pump/Tank Improvements	\$ 1,897,534	144,734	872,800	200,000	560,000	30,000	30,000	30,000	30,000
Hard Points- Farmers Branch Creek	\$ 390,000	111,922	278,078						
2003-04 St. Recon. (Longmeade)	\$ 350,000	350,000							
2004-07 St. Recon. (Senlac Drive, north of Diplomat)	\$ 675,000	675,000							
Benchmark Water/SS Line	\$ 393,000			393,000					
Farmers Branch Station Streets	\$ 450,000		450,000						
Street Program- Water/SS Line Improvements	\$ 657,000				57,000	150,000	150,000	150,000	150,000
TOTAL PLANNED EXPENDITURES:	\$ 29,481,473	13,184,096	4,255,378	3,368,000	1,604,000	1,355,000	1,805,000	1,905,000	2,005,000
TOTAL EXPENDITURES:	\$ 29,481,473	13,184,096	4,255,378	3,368,000	1,604,000	1,355,000	1,805,000	1,905,000	2,005,000
RESERVED FOR CONTINGENCIES:	\$ 579,465	5,064,042	2,309,965	488,165	493,965	848,865	760,865	671,065	579,465

[1] Transfer from Water & Sewer operations. This is a planned use of fund balance for capital improvements.

[2] A list of completed projects is available upon request.

**CITY OF FARMERS BRANCH
CAPITAL IMPROVEMENT PROGRAM
DART LOCAL ASSISTANCE PROGRAM FUND
2007-08 ADOPTED BUDGET**

	PROJECT BUDGET	PRIOR YEARS	2007-08
REVENUE SOURCES:			
Dart Technical Assistance Program	\$ 243,912	243,912	
Dart Capital Assistance Program (CAP)	\$		
CAP Allocation (Not Yet Rec'd)	\$ 57,363	57,363	
CAP Allocation Received	\$ 8,910,239	8,910,239	
Valwood Improvement Authority	\$		
TxDOT Grant	\$ 708,162	708,162	
Interest (Operating Account)	\$ 460,572	460,572	
Dallas County	\$ 610,737	610,737	
Texas Comptroller	\$ 27,588	27,588	
DART Local Assistance Program (LAP)			
LAP Allocation (Not Yet Rec'd)	\$ 857,140	857,140	
LAP Allocation Received	\$ 13,223,270	13,223,270	
TOTAL REVENUES:	\$ 25,098,983	25,098,983	
PROJECTED EXPENDITURES			
TECHNICAL ASSISTANCE PROGRAM	\$ 159,997	159,997	
Completed Projects			
Prior Years [1]	\$ 122,344	122,344	
Subtotal Technical Assistance Program	\$ 282,341	282,341	-
CAPITAL ASSISTANCE PROGRAM			
Completed Projects			
Prior Years [1]	\$ 20,632,476	20,632,476	
Current and Future Projects			
Valley View West	\$ 2,077,588	1,977,588	100,000
Incident Detection and Response Phase 2	\$ 630,000	630,000	
Eastside Transportation Management Association	\$ 120,000		120,000
Traffic Signal Communications	\$ 400,000	400,000	
Luna/LBJ Traffic Signal	\$ 275,000	275,000	
Incident Detection and Response Phase 3	\$ 300,000		300,000
Traffic Counts	\$ 30,000		30,000
Farmers Branch Station Streets	\$ 325,000		325,000
Transit Center Streets	\$		
TOTAL EXPENDITURES:	\$ 25,072,405	24,197,405	875,000
RESERVED FOR CONTINGENCIES:	\$ 26,578	901,578	26,578

[1] A list of completed projects is available upon request.

**CITY OF FARMERS BRANCH
CAPITAL IMPROVEMENT PROGRAM
TAX INCREMENT FINANCE DISTRICT #1 FUND
2007-08 ADOPTED BUDGET**

	PROJECT BUDGET	PRIOR YEARS	2007-08	2008-09	2009-2010	2010-11
REVENUE SOURCES:						
Carrollton-Farmers Branch Independent School District	\$ 6,972,369	4,222,019	638,114	670,019	703,520	738,696
City of Farmers Branch	\$ 693,926	434,870	60,104	63,109	66,265	69,578
Dallas County Hospital District	\$ 339,647	210,386	29,990	31,490	33,064	34,717
Dallas County	\$ 322,160	172,176	34,798	36,538	38,365	40,283
Dallas County Community College District	\$ 106,874	64,126	9,918	10,414	10,935	11,481
Valwood Improvement Authority	\$ 110,712	62,841	11,107	11,662	12,245	12,857
Dallas Independent School District	\$ 20,629	16,728	905	950	998	1,048
Developer Advance	\$ 32,588,931	13,941,931	11,315,000	7,332,000		
Interest	\$ 525,730	365,568	37,161	39,019	40,968	43,014
TOTAL REVENUES:	\$ 41,680,978	19,490,644	12,137,097	8,195,202	906,360	951,676
PROJECTED EXPENDITURES						
Completed Projects						
Prior Years [1]	\$ 2,844,275	2,844,275				
Current and Future Projects						
City and School Administrative Fees	\$ 391,002	191,002	50,000	50,000	50,000	50,000
Developer Reimbursement [2]	\$					
Zone School Project Costs (CFBISD) [3]	\$ 4,538,252	2,750,524	414,774	435,513	457,288	480,153
Zone School Project Costs (DISD) [4]	\$ 953	172	181	190	200	210
Mercer Parkway	\$ 3,650,000	3,650,000				
Lake Improvements: north of I-635	\$ 3,000,000	431,000	2,000,000	569,000		
"Peninsula Tract" Improvements [5]	\$ 3,000,000	2,700,000	300,000			
Development Signs	\$ 380,000	380,000				
Mercer Parkway Extension (Luna to I-35)	\$ 8,962,000	312,000	1,750,000	4,000,000	2,900,000	
Knightsbridge Road	\$ 6,973,000	273,000	1,000,000	2,000,000	3,700,000	
Bond Street	\$ 710,000	60,000	50,000	600,000		
East Lift Station	\$ 1,685,000	105,000	300,000	1,280,000		
Luna Road Lift Station	\$ 650,000	650,000				
Lake Improvements: South of I-635	\$ 2,500,000	350,000	2,150,000			
TOTAL PLANNED EXPENDITURES:	\$ 39,284,482	14,696,974	8,014,955	8,934,703	7,107,488	530,362
Transfers Out	\$ 206,495	206,495				
TOTAL EXPENDITURES	\$ 39,490,977	14,903,469	8,014,955	8,934,703	7,107,488	530,362
RESERVED FOR CONTINGENCIES: [6]	\$ 2,190,002	4,587,175	8,709,317	7,969,816	1,768,688	2,190,002

[1] A list of completed projects is available upon request.

[2] Developer reimbursements to be based on provisions of Developer Agreements Nos. 1-8.

[3] Figures represent 65% of CFBISD revenue payment

[4] Figures represent 20% of DISD revenue payment

[5] Design for Phase 2 improvements were funded by Developer Advances.

[6] Does not include future projects, developer reimbursement, or overpayments/refunds.

**CITY OF FARMERS BRANCH
CAPITAL IMPROVEMENT PROGRAM
TAX INCREMENT FINANCE DISTRICT #2 FUND
2007-08 ADOPTED BUDGET**

	PROJECT BUDGET	PRIOR YEARS	2007-08	2008-09	2009-2010	2010-11
REVENUE SOURCES:						
Carrollton- Farmers Branch Independent School District	\$ 26,880	23,880	696	731	768	806
City of Farmers Branch	\$ 43,066	20,305	5,281	5,545	5,822	6,113
Dallas County Hospital District	\$ 11,802	5,420	1,481	1,555	1,632	1,714
Dallas County	\$ 7,959	3,199	1,104	1,160	1,218	1,278
Dallas County Community College District	\$ 7,156	3,226	912	957	1,005	1,055
Non-Bond CIP Fund Advance	\$ 200,000	200,000				
Interest [1]	\$ 25,632	12,271	3,100	3,255	3,418	3,589
TOTAL REVENUES:	\$ 322,495	268,300	12,574	13,203	13,863	14,556
PROJECTED EXPENDITURES						
Completed Projects						
Prior Years [2]	\$ 14,943	14,943				
Current and Future Projects						
Debt Service	\$					
Zone School Project Costs [3]	\$ 6,314	5,414	209	219	230	242
Farmers Branch Station Streets	\$ 125,000		75,000	50,000		
Phase One Public Imp./Enhancements [4]	\$ 145,000	145,000				
TOTAL PLANNED EXPENDITURES:	\$ 291,257	165,357	75,209	50,219	230	242
Transfers Out						
TOTAL EXPENDITURES	\$ 291,257	165,357	75,209	50,219	230	242
RESERVED FOR CONTINGENCIES:	\$ 31,238	102,943	40,308	3,292	16,924	31,238

[1] Includes bond premiums, interest income, and accrued interest

[2] A list of completed projects is available upon request.

[3] Figures represent 30% of CFBISD revenue payment

[4] Includes funding for Farmers Branch Station streets.

CITY OF FARMERS BRANCH
CAPITAL IMPROVEMENT PROGRAM
STREET IMPROVEMENT/ANIMAL SHELTER BOND FUND
2007-08 ADOPTED BUDGET

REVENUE SOURCES:

Bond Proceeds

Interest

TOTAL REVENUES:

PROJECTED EXPENDITURES

Current and Future Projects

Animal Shelter

Street Rehabilitation

Webb Chapel Road

Midway Road

Street Reconstruction

Benchmark Drive

Bond Issuance Costs

TOTAL PLANNED EXPENDITURES:

Transfers Out

TOTAL EXPENDITURES

RESERVED FOR CONTINGENCIES:

PROJECT BUDGET	PRIOR YEARS	2007-08	2008-09	2009-2010	2010-11
\$ 7,700,000	7,700,000				
\$					
\$ 7,700,000	7,700,000				
\$ 1,616,000		500,000	1,116,000		
\$ 3,577,000		1,788,500	1,788,500		
\$ 1,800,000		900,000	900,000		
\$ 707,000		150,000	557,000		
\$					
\$ 7,700,000		3,338,500	4,361,500		
\$ 7,700,000		3,338,500	4,361,500		
\$	7,700,000	4,361,500			

COMBINED SUMMARY OF ESTIMATED REVENUES, EXPENDITURES AND FUND BALANCES - SELECT FUNDS

2007-08 ADOPTED FISCAL YEAR BUDGET

	GENERAL FUND	FIXED ASSET FUND	WATER & SEWER FUND	HOTEL/ MOTEL/ FUND
UNALLOCATED RESERVE 9/30/2006	(1) \$ 13,536,718	\$ 1,781,871	\$ 4,282,211	\$ 2,131,239
2006-07 ESTIMATED REVENUES	\$ 41,413,700	\$ 2,640,800	\$ 12,376,700	\$ 2,444,300
2006-07 ESTIMATED EXPENDITURES	<u>41,549,900</u>	<u>2,941,600</u>	<u>13,038,600</u>	<u>2,319,600</u>
ADDITION TO (USE OF) FUND BALANCE SUB-TOTAL	<u>\$ (136,200)</u>	<u>\$ (300,800)</u>	<u>\$ (661,900)</u>	<u>\$ 124,700</u>
SPECIAL EXPENDITURES				
CIP TRANSFER(S) TRANSFER TO DEBT SERVICE	<u>\$ 4,300,000</u>	<u>\$</u>	<u>\$ 1,000,000</u>	<u>\$ 926,200</u>
ADDITION TO (USE OF) FUND BALANCE	<u>\$ (4,436,200)</u>	<u>\$ (300,800)</u>	<u>\$ (1,661,900)</u>	<u>\$ (801,500)</u>
ESTIMATED UNALLOCATED RESERVE 9/30/2007	<u>\$ 9,100,518</u>	<u>\$ 1,481,071</u>	<u>\$ 2,620,311</u>	<u>\$ 1,329,739</u>
2007-08 ESTIMATED REVENUES	\$ 44,531,200	\$ 2,803,300	\$ 13,307,400	\$ 2,450,800
2007-08 ESTIMATED EXPENDITURES	<u>44,768,000</u>	<u>3,008,800</u>	<u>14,161,000</u>	<u>2,452,400</u>
ADDITION TO (USE OF) FUND BALANCE SUB-TOTAL	<u>\$ (236,800)</u>	<u>\$ (205,500)</u>	<u>\$ (853,600)</u>	<u>\$ (1,600)</u>
SPECIAL EXPENDITURES				
TRANSFER IN DESIGNATED FUND BALANCE SPECIAL INCENTIVE LIABILITY REDUCTION DESIGNATION FOR FUTURE PURCHASES	<u>\$ 725,600</u> <u>(725,600)</u>	<u>\$</u> <u>732,400</u>	<u>\$</u>	<u>\$</u>
ADDITION TO (USE OF) FUND BALANCE	<u>\$ (236,800)</u>	<u>\$ (937,900)</u>	<u>\$ (853,600)</u>	<u>\$ (1,600)</u>
ESTIMATED UNALLOCATED RESERVE 9/30/2008	<u>\$ 8,863,718</u>	<u>\$ 543,171</u>	<u>\$ 1,766,711</u>	<u>\$ 1,328,139</u>
TARGET BALANCES	\$ 8,559,440 (2)	\$ 300,000	\$ 2,000,000	\$ 500,000

This chart illustrates a partial listing of select major operating funds of the City. The chart is used to quickly compare revenues, expenditures, and fund balances for the budget year with the prior year. Special expenditures are one-time uses of fund balance, which were approved by the City Council consistent with fund balance target objectives.

(1) Actual per 9/30/06 Comprehensive Annual Financial Report.

(2) The General Fund target balance has been adjusted for \$1,970,800 of General Fund fixed asset transfers. The target balance represents a 75-day reserv

**MOST REALISTIC SCENARIO
COMBINED SUMMARY OF ESTIMATED REVENUES,
EXPENDITURES AND FUND BALANCES - SELECT FUNDS**

2007-08 ADOPTED FISCAL YEAR BUDGET

	GENERAL FUND	FIXED ASSET FUND	WATER & SEWER FUND	HOTEL/ MOTEL FUND
UNALLOCATED RESERVE 9/30/2006	(1) \$ 13,536,718	\$ 1,781,871	\$ 4,282,211	\$ 2,131,239
2006-07 ESTIMATED REVENUES	\$ 41,413,700	\$ 2,640,800	\$ 12,376,700	\$ 2,444,300
2006-07 ESTIMATED EXPENDITURES	<u>41,249,900</u>	<u>2,941,600</u>	<u>12,963,600</u>	<u>2,269,600</u>
ADDITION TO (USE OF) FUND BALANCE SUB-TOTAL	<u>\$ 163,800</u>	<u>\$ (300,800)</u>	<u>\$ (586,900)</u>	<u>\$ 174,700</u>
SPECIAL EXPENDITURES				
CIP TRANSFER(S)	\$ 4,300,000	\$	\$ 1,000,000	\$
TRANSFER TO DEBT SERVICE				926,200
ADDITION TO (USE OF) FUND BALANCE	<u>\$ (4,136,200)</u>	<u>\$ (300,800)</u>	<u>\$ (1,586,900)</u>	<u>\$ (751,500)</u>
ESTIMATED UNALLOCATED RESERVE 9/30/2007	<u>\$ 9,400,518</u>	<u>\$ 1,481,071</u>	<u>\$ 2,695,311</u>	<u>\$ 1,379,739</u>
2007-08 ESTIMATED REVENUES	\$ 44,531,200	\$ 2,803,300	\$ 13,307,400	\$ 2,450,800
2007-08 ESTIMATED EXPENDITURES	<u>44,468,000</u>	<u>3,008,800</u>	<u>14,086,000</u>	<u>2,402,400</u>
ADDITION TO (USE OF) FUND BALANCE SUB-TOTAL	<u>\$ 63,200</u>	<u>\$ (205,500)</u>	<u>\$ (778,600)</u>	<u>\$ 48,400</u>
SPECIAL EXPENDITURES				
TRANSFER IN DESIGNATED FUND BALANCE	\$ 725,600	\$	\$	\$
SPECIAL INCENTIVE LIABILITY REDUCTION	(725,600)			
DESIGNATION FOR FUTURE PURCHASES		732,400		
ADDITION TO (USE OF) FUND BALANCE	<u>\$ 63,200</u>	<u>\$ (937,900)</u>	<u>\$ (778,600)</u>	<u>\$ 48,400</u>
ESTIMATED UNALLOCATED RESERVE 9/30/2008	<u>\$ 9,463,718</u>	<u>\$ 543,171</u>	<u>\$ 1,916,711</u>	<u>\$ 1,428,139</u>
TARGET BALANCES	\$ 8,499,440 (2)	\$ 300,000	\$ 2,000,000	\$ 500,000

This chart illustrates a partial listing of select major operating funds of the City. The chart is used to quickly compare revenues, expenditures, and fund balances for the budget year with the prior year. Special expenditures are one-time uses of fund balance, which were approved by the City Council consistent with fund balance target objectives.

(1) Actual per 9/30/06 Comprehensive Annual Financial Report.

(2) The General Fund target balance has been adjusted for \$1,970,800 of General Fund fixed asset transfers. The target balance represents a 75-day reserve.

**GENERAL FUND
SIX-YEAR FINANCIAL PLAN
OVERVIEW**

In accordance with the City's financial policies, the 2007-08 budget was developed in the context of long-range financial plans. The plans anticipate funding needs and available revenues and forecast methods for matching future revenues and expenses. A six-year projection plan has been developed for the City's General Fund. The plan presents the fund over eight fiscal years: two previous years and six projected years. There are many benefits to these plans. First, the plan gives staff and Council a valuable perspective when considering budgets within the planned six-year horizon. Second, the plan enables staff and Council to understand the "compounding" effect of revenue and expenditure decisions made over time.

Major assumptions have been footnoted on the six-year financial plan. Annual increase projections for each revenue or expenditure category are shown in a column entitled "Proj % Yr 2-6". This column refers to projection assumptions for Years 2-6 of the financial plan.

**General Fund Six-Year Financial Plan
City of Farmers Branch**

	Proj % Yr 2-6	Actual 2005-2006	Actual 2006-2007	Year 1 Adopted 2007-2008	Year 2 Projected 2008-2009	Year 3 Projected 2009-2010	Year 4 Projected 2010-2011	Year 5 Projected 2011-2012
Beginning Fund Balance		\$11,106,626	\$13,536,718	\$9,418,641	\$8,456,241	\$7,681,824	\$7,519,330	\$7,453,433
Revenues:								
Sales tax	4.0%	\$11,295,717	\$12,510,200	\$12,860,200	\$13,374,608	\$13,909,592	\$14,465,976	\$15,044,615
Property tax	5.0%	13,417,900	14,410,000	17,290,000	18,154,500	20,362,225	21,380,336	22,449,353
Franchise tax	3.0%	5,769,984	4,548,000	4,763,000	4,905,890	5,053,067	5,204,659	5,360,798
Licenses and permits	3.0%	901,032	812,000	757,000	779,710	803,101	827,194	852,010
Charges for services	3.0%	4,553,631	4,970,300	4,952,500	5,101,075	5,254,107	5,411,730	5,574,082
Fines and forfeitures	3.0%	2,520,120	3,884,000	2,623,000	2,701,690	2,782,741	2,866,223	2,952,210
Investment income	3.0%	970,781	928,000	1,126,000	1,159,780	1,194,573	1,230,411	1,267,323
Miscellaneous	3.0%	125,667	159,500	159,500	164,285	169,214	174,290	179,519
Total Revenues		\$39,554,832	\$42,222,000	\$44,531,200	\$46,341,538	\$49,528,620	\$51,560,819	\$53,679,910
Expenditures:								
Personal services	4.0%	\$28,722,964	\$30,629,900	\$33,246,400	\$34,576,256	\$35,959,306	\$37,397,678	\$38,893,586
Professional services	2.0%	610,805	624,000	1,079,400	1,100,988	1,123,008	1,145,468	1,168,377
Supplies	2.0%	1,565,116	1,939,500	1,970,200	2,009,604	2,049,796	2,090,792	2,132,608
Repair & maintenance	2.0%	2,969,828	3,743,800	3,921,700	4,000,134	4,080,137	4,161,739	4,244,974
Services	2.0%	3,166,428	3,590,500	3,696,000	3,769,920	3,845,318	3,922,225	4,000,669
Production & disposal	2.0%	246,712	282,800	282,800	288,456	294,225	300,110	306,112
Contracts	0.0%	181,000	191,000	192,000	192,000	192,000	192,000	192,000
Christmas	1.0%	82,868	121,300	118,200	119,382	120,576	121,782	122,999
Other	2.0%	455,880	2,029,500	1,727,900	1,022,346	1,042,793	1,063,649	1,084,922
Transfers - Fixed Assets	3.0%	1,302,500	1,689,300	1,970,800	2,029,924	2,090,822	2,153,546	2,218,153
Transfers - Utility Fund	2.5%	(2,225,300)	(2,292,000)	(2,490,200)	(2,552,455)	(2,616,266)	(2,681,673)	(2,748,715)
Transfers - Other		(378,821)	(341,000)	(359,100)	(328,100)	(328,100)	(328,100)	(328,100)
Transfers - CIP/Erosion & Street Prgm		0	175,000	0	750,000	1,700,000	1,950,000	2,200,000
Transfers - CIP/Long Range Plan		0	4,300,000	0	0	0	0	0
Transfers - CIP/Other		137,500	137,500	137,500	137,500	137,500	137,500	137,500
Total Expenditures		\$36,837,480	\$46,821,100	\$45,493,600	\$47,115,955	\$49,691,114	\$51,626,716	\$53,625,085
Ending Fund Balance		\$13,823,978	\$8,937,618	\$8,456,241	\$7,681,824	\$7,519,330	\$7,453,433	\$7,508,258

	Actual 2005-2006	Actual 2006-2007	Year 1 Adopted 2007-2008	Year 2 Projected 2008-2009	Year 3 Projected 2009-2010	Year 4 Projected 2010-2011	Year 5 Projected 2011-2012
Calculation of available funds							
Ending Fund Balance	\$13,823,978	\$8,937,618	\$8,456,241	\$7,681,824	\$7,519,330	\$7,453,433	\$7,508,258
90-Day Requirement	\$9,209,370	\$10,164,200	\$10,699,300	\$11,084,008	\$11,475,073	\$11,880,792	\$12,301,733
75-Day Requirement	\$7,367,496	\$8,131,360	\$8,559,440	\$8,867,206	\$9,180,059	\$9,504,634	\$9,841,386
60-Day Requirement	\$6,137,124	\$6,773,423	\$7,130,014	\$7,386,383	\$7,646,989	\$7,917,360	\$8,197,875
45-Day Requirement	\$4,604,685	\$5,082,100	\$5,349,650	\$5,542,004	\$5,737,537	\$5,940,396	\$6,150,867
Staffing variable							
Full time equivalent positions	438	442	460	460	460	460	460
Average cost per FTE	\$65,578	\$69,298	\$72,275	\$75,166	\$78,172	\$81,299	\$84,551

Assumptions:

Personal Services 4% increase includes 1% for merit (@3% level), 1% for health insurance increases (@15% annual increase level), and 2% for across-the-board increases.

Final PID abatement added back to rolls in FY '10 - revenue of \$900K

FINANCIAL TRENDS

I. Introduction

This is the City of Farmers Branch's twentieth annual review of its financial condition. This annual review is based on the International City Management Association's (ICMA) publication and software application entitled Evaluating Financial Condition. This report identifies positive and negative indicators as they impact the City's financial condition. Three funds have been analyzed: the General Fund, Water & Sewer Fund, and Special Revenue Fund.

This program recognizes various factors that affect the City's financial health. The City may control some factors; others are external factors that the City must respond to and make adjustments. Response and adjustment are better planned if early trends are detected. This study will assist in identifying early trends.

The format for this discussion of the various indicators in the following pages includes three sections: Description, Analysis, and Conclusion. Definitions follow for each section.

Description: Discussion of indicator in terms of the financial and environmental factors used in computing the indicator.

Analysis: Evaluation of data using trend analysis. The indicator is examined over a multi-year review period. This section provides information on how fast the indicator is changing and in which direction.

Conclusion: Discussion of analysis results and whether a potential problem exists or might exist in the near future.

As used in this study, financial conditions can be broadly defined as the City's ability to finance services on a continuing basis. More specifically, financial condition refers to the City's ability to:

- maintain existing service levels;
- withstand local and regional economic disruption;
- meet demands of natural growth, decline and change; and,
- meet the growing needs for capital improvements and service levels in a manner that balances the desires for services with available revenues.

Efforts by the City to evaluate its financial condition present a complex problem. Relationships between some factors are difficult to observe. Some are more important than others, but often, this cannot be determined until all factors have been assembled. Revenues may be higher than ever and may be exceeding expenditures. However, this may not consider inflation or that certain programs have been deferred. The interrelationship between capital expenditures and operating expenditures is not always readily apparent. For example, certain capital expenditures will have the effect of reducing operating expenses. Those operating expenses saved may be available for debt service on capital expenditures. On the other hand, capital expenditures may require service and maintenance that increases the operating budget at the same time the City is attempting to meet debt service requirements. Failure to recognize the interrelationship between capital expenditures and debt service either as a positive or a negative factor may lead to improper decisions.

Not all factors or indicators presented in the ICMA publication are included in this study. Some indicators were excluded as proper data was not available or reliable. As part of a multi-year analysis of financial trends, it is appropriate to review and evaluate the City's financial position relative to the financial objectives set by the City Council. The objectives set by the City Council are:

General Governmental

- *Objective One* is to formulate future budgets so that no use of fund balance will be required in the final operating results.
- *Objective Two* is to provide sufficient funds to maintain the City's streets in terms of pavement structure, rideability and appearance in accordance with the following schedule:

Reconstruction	1 Lane-Mile
Resurfacing	11 Lane-Miles
Repair	3,250 Square Yards
Seal	25 Lane-Miles

The schedule for reconstruction and resurfacing is intended to be a yearly average over four years (in any given year the number of lane-miles of reconstruction and resurfacing will vary).

- *Objective Three* is to provide, from operating revenues, funding for new major capital improvement projects consistent with the future capital projects plan.
- *Objective Four* is to follow a pay-as-you-go capital financing strategy.

Water & Sewer

- *Objective One* is to maintain a self-sufficient Water & Sewer Fund so as to avoid General Fund subsidies.
- *Objective Two* is to provide, from Water & Sewer operating revenues, funding for new capital projects consistent with a long-range capital projects plan.
- *Objective Three* is to provide for reinvestment in the existing water and sewer system with current operating revenues. The target level of funding is equal to the annual depreciation in the Water & Sewer Fund.
- *Objective Four* is to provide for Water & Sewer rate increases when necessary to cover cost increases to the City.

II. CONSUMER PRICE INDEX (C.P.I. TABLE) & DEBT SERVICE TABLES

The following table reflects the consumer price index (C.P.I.) used in analyzing several financial trend indicators. This index assists in evaluating the effects of inflation on a government's budget.

The base year for this study is 1983, which has a consumer price index of 100.7.

Consumer Price Index (C.P.I.)

YEAR	CPI	% Change
1984	105.0	-
1985	108.3	3.1%
1986	110.2	1.8%
1987	115.0	4.4%
1988	119.8	4.2%
1989	125.0	4.3%
1990	132.7	6.2%
1991	137.2	3.4%
1992	141.3	3.0%
1993	145.1	2.7%
1994	149.4	3.0%
1995	153.2	2.5%
1996	157.8	3.0%
1997	161.2	2.2%
1998	163.6	1.5%
1999	167.9	2.6%
2000	173.7	3.5%
2001	178.3	2.6%
2002	181.0	1.5%
2003	185.2	2.3%
2004	189.9	2.5%
2005	198.8	4.7%
2006	202.9	2.6%
2007	209.1	3.1% Estimate

CPI's are as of September.

Debt Service

Year Ending	Debt Service Requirements	Interest on Bond Proceeds Used for Debt Service	Debt Service Funded by Property Tax
1990	\$6,104,000	\$775,000	\$5,329,000
1991	5,046,000	550,000	4,496,000
1992	5,130,000	750,000	4,380,000
1993	5,112,051	800,000	4,312,051
1994	4,783,116	839,700	3,943,416
1995	4,224,728	289,000	3,935,728
1996	4,124,727		4,124,727
1997	3,622,680		3,622,680
1998	3,832,180		3,832,180
1999	3,764,793		3,764,793
2000	3,706,378		3,706,378
2001	3,656,978		3,656,978
2002	3,598,098		3,598,098
2003	3,537,152		3,537,152
2004	3,299,747		3,299,747
2005	3,250,207		3,250,207
2006	3,222,158		3,222,158
2007	3,194,807		3,194,807
2008	461,158		461,158
2009	453,707		453,707
2010	216,108		216,108
2011	214,770		214,770
2012	217,770		217,770

III. Financial Trends Monitoring System - Executive Summary

General Fund:

Revenues

Overall, revenues (including debt service) from 1997 to 2006 showed an average annual growth of 2.01%. A significant increase in constant dollar revenues occurred in 1997 (5.3%), 1998 (5.4%), and 2000 (5%) due primarily to an increase in property values, sales taxes and landfill revenues. In 2006 actual revenues increased by 5.5% and increased by 3.4% on a constant dollar basis when compared to 2005.

Growth in revenues continues to be an important factor in funding increased costs such as fuel, utilities and insurance. Of particular concern, is the overall decline in constant dollar adjusted net operating revenues from 2001 to 2006. The largest decline in revenues has been sales tax; 2002-2003 saw the largest decrease of 14.7% (2001-2002 sales tax was \$11.6M compared to 2002-2003 which was at \$10.0M). In 2005-2006 sales tax revenues increased slightly by 4.2% when compared to 2004-2005 actual sales tax revenue. However 2005-2006 was \$2.4M less than 2000-2001 actual sales tax revenue. Property tax revenues (excluding debt services) increased for the second consecutive time in four years by 2.8% (from 2003 to 2006). 2006-2007 property tax revenues are expected to increase by 9.55%.

Expenditures

Overall, operating expenditures have generally increased 2.9% per year during the review period of 1997 to 2006 in current dollars. When examined in constant dollars, operating expenditures have remained relatively flat. Only increasing an annual average of 0.3% from 1997 to 2006. Due to the economic slowdown in 2001, the City responded to decreasing revenues by cutting expenditures. The effect of reduced revenues from sales tax and property tax prompted the City to utilize fund balances in 2002, 2003 and 2004. However the 2007 adopted budget provides for a "balanced" budget. Expenditures, in constant dollars for 2001-2002 were actually 0.65% less than 2000-2001. Expenditures, in constant dollars, for 2005-2006 were 6.1% less than 2000-2001. The expenditures referred to include debt services payments, but exclude General Fund Expenditures for capital improvement projects (CIP).

Debt Service

Debt service requirements are declining and expected to accelerate in their decline. Debt service requirements in 2006 represent 8% of net operating revenues compared with 10% of net operating revenues in 1997. Decreases in debt service requirements (as a percentage of operating revenues) are attributed to several factors, including, advance refunding of bonds in 1993, 2002 and 2003, and the policy of funding all capital expenditures (except hotel/motel related) from operating revenues rather than incurring additional debt.

Property Values

Property values increased for 2007 (a 6.3% increase compared to 2006). From 1998 to 2007 the trend has been positive with an annual average increase of 2.6% in current dollars and 0.01% in constant dollars. In 2007, property values are 10.2% below 1998 values in constant dollars. Growth in property values is a key indicator of financial health of a city.

Property Tax Revenues

Property tax revenues represent one of the largest sources of revenues for the City and are used to fund operations in the General Fund and to pay off bonds in the Debt Service Fund. In the General Fund alone, 2006 property taxes (excluding debt service) are \$13.2 million. In 2003-2004, the property tax rate was increased by two cents per \$100 to compensate for the declining property values. 2006-2007 property tax revenues (including debt service) are projected to increase by 4.5% in constant dollars. Property tax revenues (including debt

service) from 1997 through 2006 have increased on an average annual basis by 3.65% (in current year dollars.)

Water & Sewer Fund:

Revenues

In 1997, these revenues decreased due to high rainfall patterns. In 1998, 1999, and 2000 the revenues increased due to the hot and dry summers, as well as a 300 customer increase in the number of commercial customers. Since 1995, the Water & Sewer Fund has remained self-sufficient. Rate increases have been planned primarily to cover increased costs to the City. In 2004, 2005 and 2006 rates were increased 5%, 4.5% and 13.5% respectively to offset revenue declines caused primarily by the economic downturn and weather conditions. Due to this and unexpectedly dry conditions, the adopted 2006-2007 budget includes a 8% decrease in water rates for the first 10,000 gallons of consumption. Year-to-year revenue fluctuations are due to weather patterns, which affect water sales, and an increase in commercial accounts and commercial consumption.

Expenditures

From 1997 to 2006, net operating expenditures (for Water and Sewer) have increased in current dollars by an annual average of 2.42%, and when examined in constant dollars, operating expenditures have decreased by 0.11% over the same time frame. Year-to-year fluctuations are primarily due to weather patterns, which affect water demand.

User Charge Coverage

User charge coverage refers to whether fees and charges cover the entire cost of providing utility services including depreciation and transfers. User charge coverage differs from revenue bond ratio coverage requirements that do not include depreciation and transfers in the coverage calculation. User charge coverage calculations were sufficient to meet the 100% coverage requirement in 1995, 1996, 2002 and 2004. But declined to 92% in 1997 due to high rainfall patterns. 2006 had over 100% user coverage because of a shortage of rainfall. Similar to the hot and dry summers of 1998, 1999, and 2000, the user charge coverage was over 100% each year. Farmers Branch does not have a revenue bond ratio average requirement as all water and sewer bonds have been paid off.

Overall Conclusion:

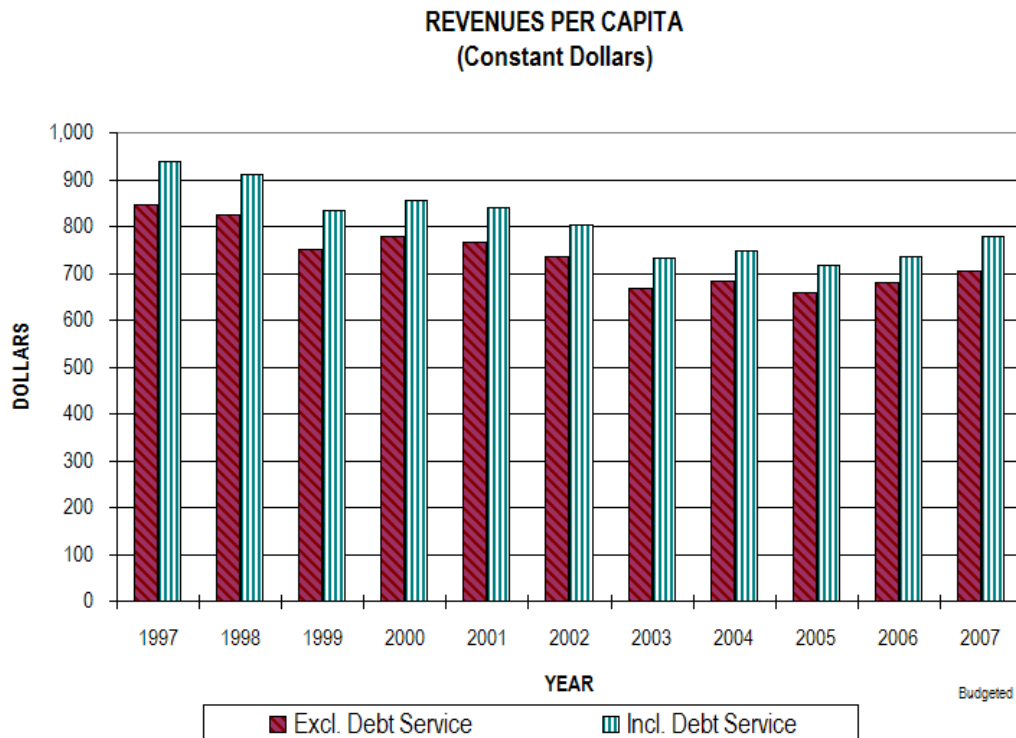
While this report primarily covers the period from 1997 to 2007, trends prior to that period have also been reviewed. This year marks the seventh year that this financial analysis covers at least a 10-year period.

The financial trends show fundamental change in both revenues and expenditures. A major change began in fiscal year 2000-2001 when net operating revenues, in constant dollar basis, began to decline. The economic downturn in 2001 has prompted the City to reduce expenditures in association with the reduction of revenues. This decline stabilized in the 2004-2005 fiscal year and continued into the 2005-2006 fiscal year with a increase of 5.5 over the previous year, but still below 2000-2001 levels on a constant dollar basis.

In 1989, property values were at an all time high. Property values decreased in real dollars every year from 1989 to 1994. Even with a property tax rate increase, revenues for the City were relatively flat from 1990 to 1993 and declined when adjusted to constant dollars. Beginning in 1995, property values started to increase in constant dollars, but even with increases in property values from 1998 to 2007, these values are still below the 1989 all time high levels in constant dollars. Current property values are lower than 1990 values when adjusted to constant dollars.

Expenditures, in constant dollars, overall have increased only 0.3%, since 1997. Spending clearly shows a shift in financing strategy. Capital spending from the General Fund increased from zero dollars (\$0) in 1990 to \$2.4 million in 2003. Because of the economic downturn capital expenditures in 2005 and 2006 were only \$633,500 and \$137,500 respectively. Continued reduction in capital spending from the general fund, as a result of the economic downturn, may require a return to debt financing in order to adequately maintain the city's infrastructure. The total capital improvement transfers from 1990 to 2006 have equaled \$33.7 million. When this capital spending is factored out, the operating expenses for the City decreased 0.74% compared to the 1990 level in constant dollars.

The financial trends show a fundamentally solid financial picture with revenue trends continuing in a positive direction while expenditures for operations (excluding capital spending) have remained relatively flat with regards to inflation. Sales Tax revenue, Hotel/Motel Occupancy Tax revenue, and interest on investments were significantly impacted by the economic downturn. Sales Tax revenue increased slightly from \$10.8 million in 2004-2005 to \$11.2 million in 2005-2006. Hotel/Motel Occupancy Tax revenue increased from \$1.97 million in 2004-2005 to \$2.25 million in 2005-2006. These revenues are projected to increase only slightly in 2006-2007 on a constant dollar basis.



Description: This indicator examines per capita revenue, both in current dollars and adjusted for inflation (constant dollars) to show changes in revenue relative to changes in population. A decrease in operating revenues per capita in constant dollars may be a warning trend that must be examined carefully. While per capita data may have less relevance in a city such as Farmers Branch with an extensive commercial base, current and constant net operating revenues remain highly relevant. This indicator is represented in two ways: 1.) Excluding debt service funding; and, 2.) Including debt service (includes all property tax) funding.

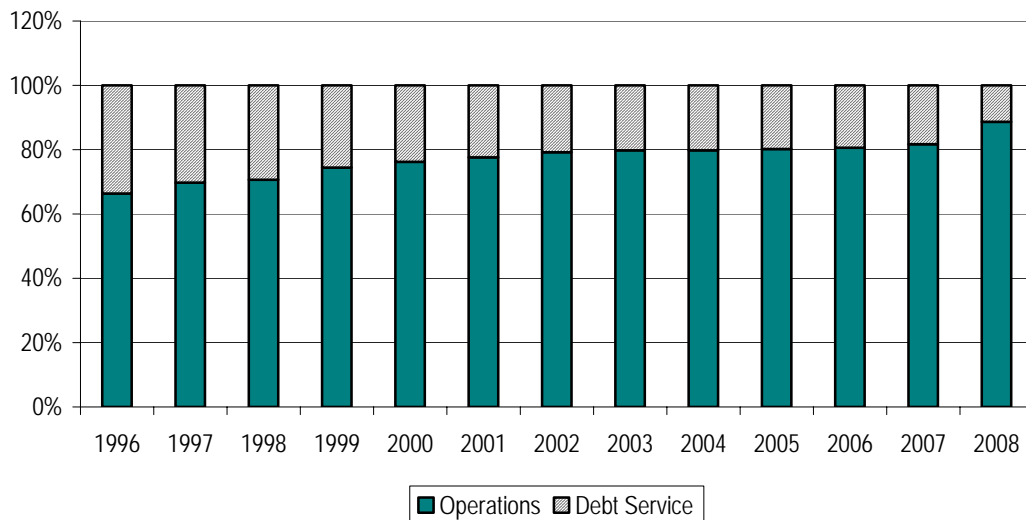
Analysis: When excluding property tax revenues used for debt service, there has been an overall yearly increase, during the review period, in net operating revenues averaging 2.4% per year in current dollars and slight decrease of 0.10% in constant dollars. This rise is primarily caused by increased property tax revenues available to the General Fund because of reduced debt service requirements (offset by CIP expenses funded by General Fund Transfers), increased sales tax receipts, and franchise fees. Due to the economic downturn net operating revenues began a declining trend in 2000-2001. Net operating revenues (excluding Debt Services) increased in 2005-2006 by 6.02% and is expected to increase in 2006-2007 by 10.4%.

Operating revenues including debt service have experienced a slight upward trend (since 2001) averaging only a increase of 0.4% per year in current dollars, and a decrease of 2.2% in constant dollars. From 1995 to 2000, revenue grew. Due to the economic downturn constant dollar net operating revenues began a declining trend in 2000-2001. 2005-2006 net operating revenues (including debt services) increased by 3.4% (vs. 2005). The average annual decline during these five years is projected at approximately 0.4%.

Revenue growth to cover capital improvements and operating cost inflation is especially important. General Fund revenues have been the largest part of Capital Improvement Program funding. For example, General Fund transfers have increased from zero dollars (\$0) in 1990 to \$537,500 in 2004, \$633,500 in 2005 and \$137,500 in 2006. Because of the economic downturn, in 2007 transfers are to remain low at \$138K. Total capital improvement transfers from 1990 to 2006 equal \$33,700,000. From 1997 to 2006 transfers have totaled \$27,919,500 or 83% of the capital improvement transfers since 1990. These transfers increasingly play an important role in the City's Capital Improvement Project planning process as improvements are funded from current revenues rather than from traditional debt issues. Inflationary cost trends during from 1998 to 2007 have averaged approximately 2.7% per year. Revenue growth helps to offset these cost trends.

Conclusion: Sufficient revenues allow the City to continue to provide funds for necessary operations. Since 1995, the growth of revenues represents an important trend for the City, however a recent four-year slight decline in revenues is a trend that requires close monitoring. Population changes since 1997 impact per capita costs. A use of fund balance was adopted in 2001-2002 and 2002-2003 to partially offset a significant decline in revenues. This planned use of fund balance softens the impact of an economic downturn on City programs and services.

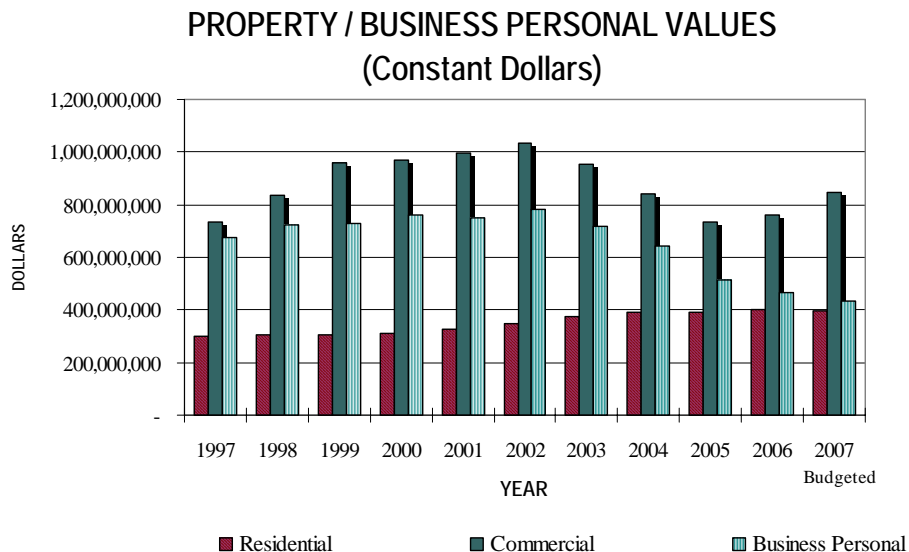
PROPERTY TAX RATE Percent Distribution



Description, Analysis and Conclusion: The City's tax rate consists of two components. One part of the tax rate funds General Fund operations and is shown in the General Fund budget as property tax revenue. The other part of the tax rate funds debt service on general obligation or certificates of obligation bonds. These bonds are backed by the City's property tax base. The property tax revenue from the debt service part of the tax rate is shown in the debt service budget as property tax revenue. The combined total of property tax revenues in the General and Debt Service Funds is called the City's tax levy. The City's adopted 2007-2008 tax rate of \$.4945 per \$100 property value allocates approximately 89% of property tax revenues to the General Fund and approximately 11% to the Debt Service Fund. The higher the percentage allocated to the General Fund, the greater the flexibility allowed the City for operational expenditures. This chart shows a historical perspective of the tax rate allocation.



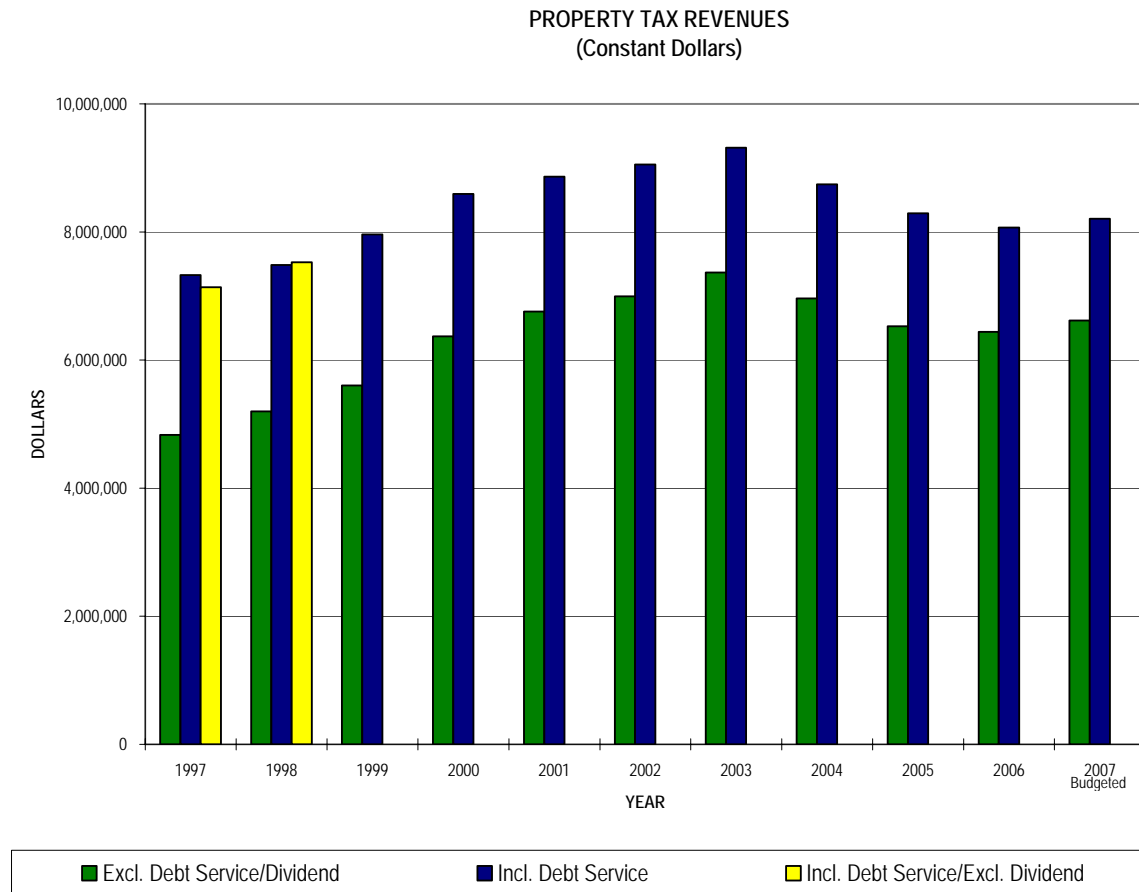
Description, Analysis and Conclusion: Sales tax revenues remained stable from 1990-93 and increased from 1993 to 2000 as the area economy improved. The terrorist events of September 11, 2001 accelerated an economic decline that began at the end of fiscal year 2001. Beginning in 2004, sales tax revenues began to gradually increase and are expected to continue at this pace over the next few years.



Description: Fluctuations in property value are important because most cities depend on property taxes as a substantial portion of their revenue base. In cities with a stable tax rate, an increase in property value results in increased revenues. A decline in property value is most likely a symptom of other underlying problems. Property values in Farmers Branch are assessed at 100% of the market value. Properties are categorized into three primary segments: residential real property, commercial real property, and commercial (business) personal property. A business personal property tax exemption was added in 2004 on freeport inventory items. These are certain types of items held in state for 175 days or less.

Analysis: From 1998 to 2007, a formerly negative trend was reversed with an annual average property value increase of 2.61% in current dollars and remained flat in constant dollars. From a current and constant dollar standpoint, total property values remain below the 1988-89 all-time high levels with the exception of business personal property. In 2007 property values increased by 6.3% compared to 2006.

Conclusion: Since 1995 significant growth in property values has occurred. Property Values decreased in 2003, 2004 and 2005, but stabilized and showed slight growth in 2006 and 2007. During the next few years, property tax revenue growth may lag the growth in property values in the initial years due to development incentives such as tax abatement, tax rebates or tax increment financing.



Description: Property tax revenues are considered separately from other revenues in this analysis because the City relies heavily on them. A diminishing property tax revenue growth rate can result from a number of causes including: (1) decline in property values, (2) decline in local economic health, (3) decline in total households or businesses, (4) unwilling default on property taxes, (5) insufficient assessment or appraisal, (6) intentional defaults resulting from insufficient penalties or collections.

The following analysis is based on both current and constant dollars. In Farmers Branch, property tax revenues are separately apportioned to fund debt service and to fund operating expenses. The analysis considers both property tax revenues including and excluding debt service allocations.

A decline in property tax revenues in constant dollars may reflect significant economic difficulties. Declining use of property tax revenues for capital expenditures (debt service included) may indicate a declining municipal reinvestment (unless other funds are used for debt or capital purchases). Conversely, decreasing availability of property tax revenues for operating expenses may cause a reduction in service levels or deficit spending.

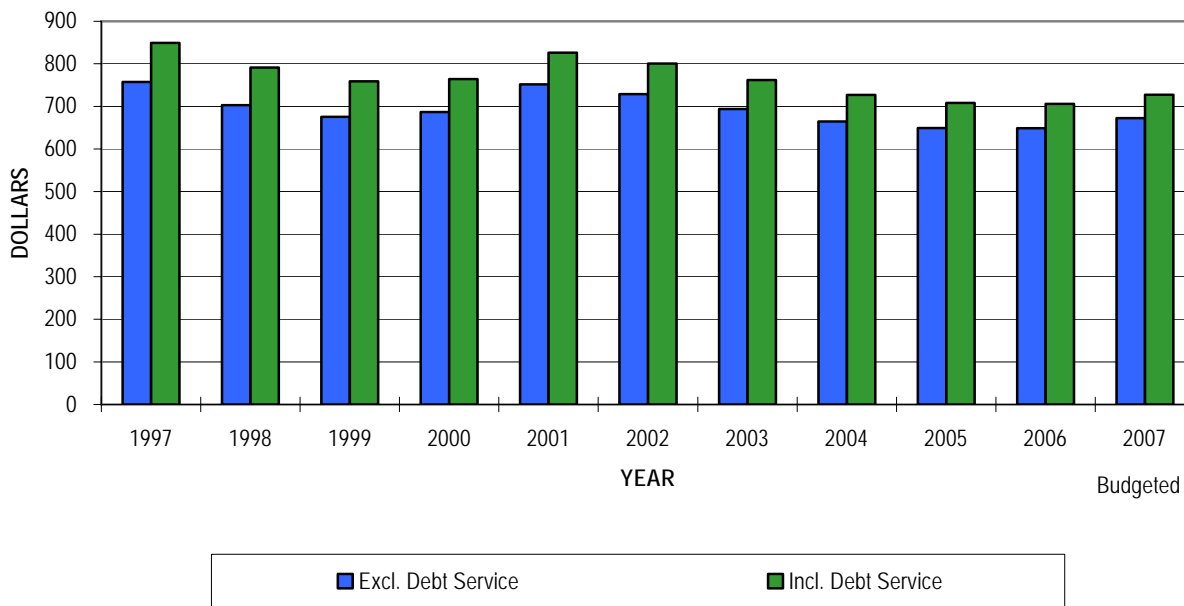
Analysis: When including debt service, total property tax revenues from 1997 to 2006 have increased a yearly average of 3.65% in current dollars and increased 1.1% in constant dollars. Total property tax revenues including debt service increased from 1996 through 2002 as a result of value increases. In 2004 property tax rates were increased by 4.5% (\$.02 per \$100) to help offset increasing expenses. Property tax revenues, in constant dollars, have increased from 1995 until 2002. In 2005 the property tax

revenue increased by 2% from 2005 actual revenues due to stronger residential property values and a three forty-fifth cent (\$0.0345) per \$100 property tax increase. In 2006 property tax revenue increased by 2.3% on strengthening property values. In 1997 and 1998, the City issued dividends to the taxpayers in the amounts of \$560,000 and \$710,000, respectively. These dividends offset the increases noted above by effectively lowering property tax revenue by 4.5% and 5% in each year respectively. Property tax revenues will increase in 2006-2007 in association with an increased property valuation. During the next few years, property tax revenue growth may lag the growth in property values in the initial years due to development incentives such as tax abatement, tax rebates, or tax increment financing.

When excluding debt service, property tax revenues (in current dollars) increased an average of 5.8% from 1997 to 2006. While property tax revenues (in constant dollars) increased an average of 3.2%. The increase in property values and constant debt service requirements resulted in a current and constant dollar increases in property tax revenues from 1997 through 2006. In 1998, 1999, and 2000 property tax revenues increased by 8.0%, 10.8%, and 6.7%, respectively. When taking the 1997 and 1998 dividends into account, the property tax revenues increased by 2.5% and 8.1% in 1997 and 1998, respectively. The following table reflects the pattern of property tax allocations to the General Fund and the amounts necessary to fulfill debt service obligations.

Conclusion: Property tax revenues represent the largest single source of revenues for the City. Property tax revenues (including debt service) declined by 6.7% in current dollars as a direct result of decreasing property values from 2002 to 2004. In 2006, property tax revenues, in constant dollars, are above the 1997 levels.

EXPENDITURES PER CAPITA (Constant Dollars) (Excluding General Fund CIP Transfers)



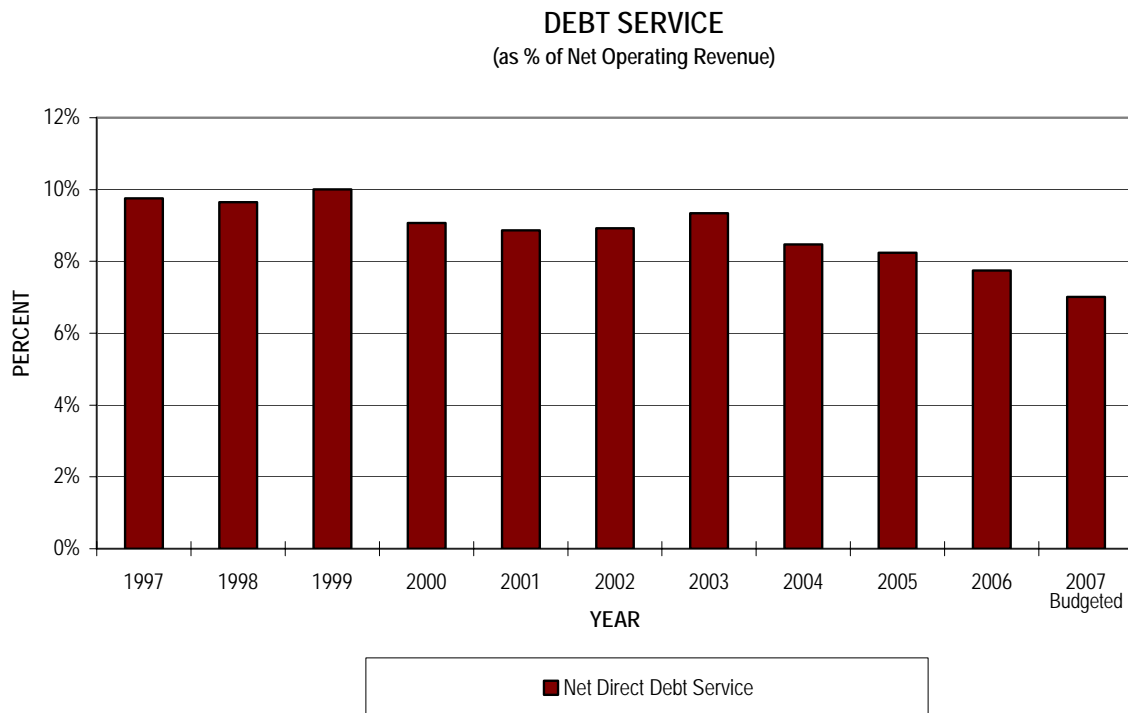
Description: Expenditures must be measured by a number of quantitative and qualitative factors. Changes in per capita expenditures reflect changes in expenditures relative to changes in population. Population is a criterion of some relevance as the population group is usually the group served. Other factors not analyzed here relate to the impact of commercial expansion on expenditures. Despite its limitations, per capita expenditure indicates a relationship of some validity.

Analysis: Net operating expenditures excluding debt service increased an average of 1.6% per year from 1997 to 2006 in constant dollars. Net operating expenditures excluding debt service increased from 1997 to 2006 an average of 4.2% in current dollars. However compared to 2004-2005 the 2005-2006 expenditures increased just slightly by 1.2% in constant dollars. For

2005-2006 operating expenditures excluding debt services are projected to increase 3.05% in current dollars and stay flat in constant dollars when compared to 2005-2006 actuals.

Net Operating Expenditures including debt service: Net operating expenditures including debt service increased from 1997 to 2006 an average of 2.9% in current dollars, but only increased by 0.3% in constant dollars. For 2006-2007 operating expenditures including debt service are budgeted to increased 2.7% in current dollars and remain flat in constant dollars compared to 2005-2006 actuals.

Conclusion: In response to financial trends, the City implemented cost containment measures and incorporated these measures into the budget process in both the early 1990's as well as the early 2000's. Cost containment continues to be an important consideration for preparing future budgets.

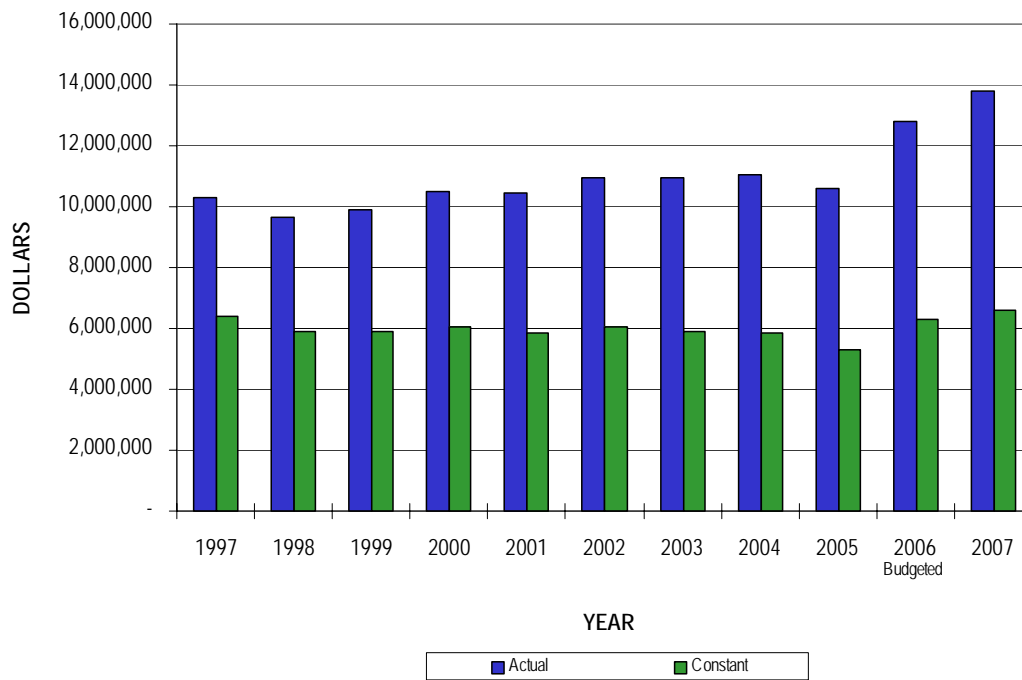


Description: Debt service is the amount of principal and interest that must be paid each year in order to payoff long-term debt. As debt service requirements become greater in proportion to net operating revenues, the City has less money available for discretionary use. Perhaps more importantly, such a trend suggests that the City may have more debt outstanding than the City is able to repay. A credit industry benchmark is that debt service on net direct debt exceeding 20% of operating revenue is considered a potential problem.

Analysis: The continued decrease is attributed to the pay-as-you-go policy of the City as part of a major program of funding capital projects through the General Fund as opposed to issuing additional debt to fund capital projects. Since 1990 the City has funded \$33,562,500 directly from the General Fund for capital projects.

Conclusion: The City's assessed value is able to sustain significant debt, however, the impact of debt service on operating revenues is important. In 2002-2003, the City was able to refinance two of its outstanding bonds, saving \$915,936 in interest payments. Since 1992, debt service as a percentage of operating revenues, has consistently been below the credit rating benchmark of 20%, and has decreased from 25% in 1990 to 10% in 1999. While the City has relied on interest earned on unused bond proceeds to fund a portion of debt service requirements, the City ended this practice in 1996. Debt service is funded by a percentage of property tax exclusively.

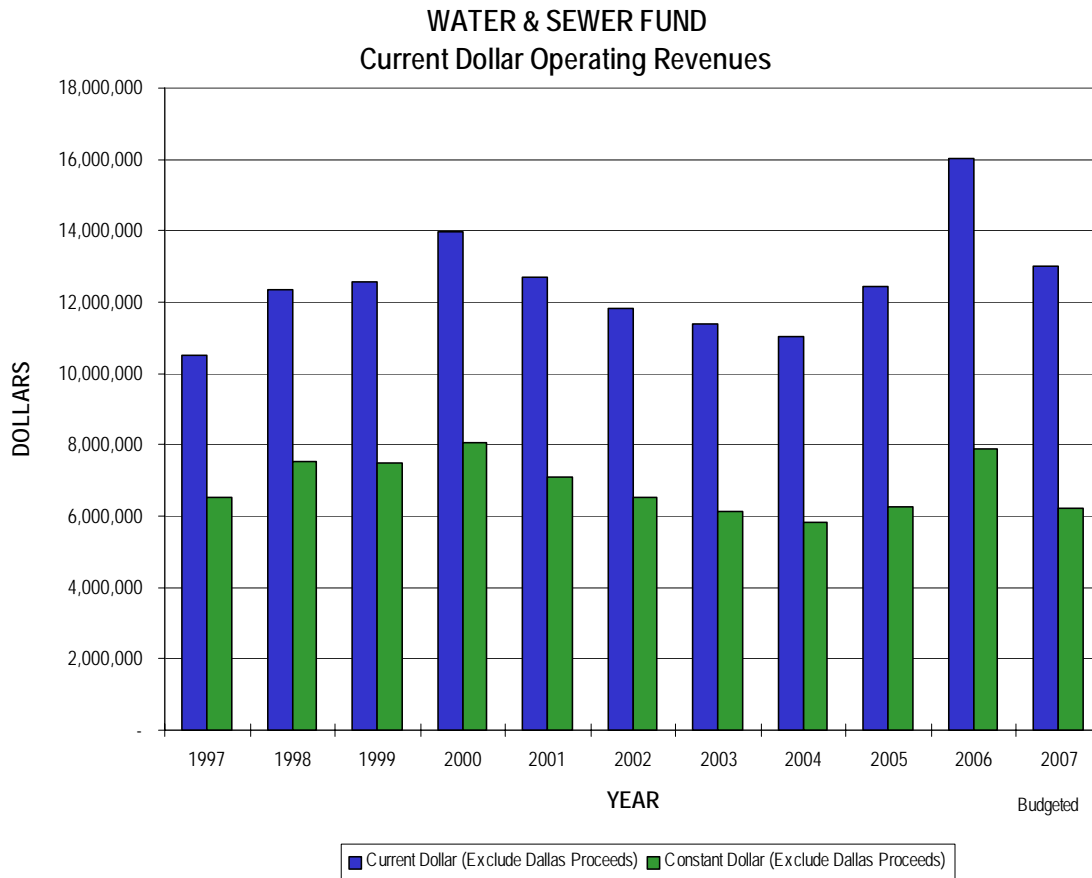
WATER & SEWER FUND EXPENDITURES (Actual Dollars vs. Constant Dollars)



Description: Water and Sewer Fund expenditures must be measured by a number of quantitative and qualitative factors. Population is a criterion of some relevance as the population group is usually the group served (commercial service is a major factor in Farmers Branch).

Analysis: Net operating expenditures have slightly decreased by an average of 0.11% (constant dollars) over the review period. With the exception of General Fund transfers and capital replacement funding, the City has little or no influence in the short term in controlling costs such as purchasing water, treating sewage, and electrical costs. In 1998, 1999, 2000, 2005 and 2006 low rainfall levels and hot weather conditions caused the City to request that its water supplier, the City of Dallas, increase maximum water flow levels available to the City in order to meet increased consumption demands. This request increased the fixed (demand cost) portion of the City's water bill – an increase that effectively will be paid every year in the future. The 2006-2007 budgeted operating expenditures are based upon estimated consumption, which could be impacted by weather changes that could effect operations. Currently these expenses are projected to increase by 4.3% (constant dollars).

Conclusion: During the past few years, Water and Sewer Fund expenditures have increased. These increases have been partially offset by increased revenues caused by low rainfall levels and hot weather conditions. In 2004, 2005 and 2006 rates were increased 5%, 4.5% and 13.5% respectively to offset revenue declines caused primarily by the economic downturn.



Description: This indicator examines Water & Sewer Fund operating revenues, both in current dollars and adjusted for inflation (constant dollars). A decrease in operating revenues in constant dollars may be a warning trend that must be examined carefully.

Analysis: Net operating revenues have generally increased between 1997 and 2006 in current dollars (3.8% per year average) and very slightly increased in constant (1.2% per year average) dollars. In 2004, rates were increased 5% to offset revenue declines caused primarily by the economic downturn and weather conditions. 2005 rates were increased by 4.5% in order to offset continued declining revenues due to the same factors occurring in 2004. 2006's revenues were higher, (increase of 29% to 2005) because of a combination of the continuing North Texas drought conditions and a increased rate. In order to offset continuing raising cost a 13.5% increase was also implemented in 2006. Rainfall and economic conditions can impact water consumption and therefore water revenue. Expenditures, to a great extent, fluctuate with consumption. Rates have been designed so as revenues change (as a result of consumption fluctuation) they are proportional to changes in expenditures caused by those fluctuations. This minimizes the impact of revenue loss caused by consumption fluctuations.

Conclusion: Water & Sewer Fund operating revenues have fluctuated since 1997 in constant dollars. This revenue is based on rate increases and water consumption. The summer of 1998, 1999, 2000, 2005 and 2006 were unusually dry and therefore contribute to higher revenues. In contrast 2004 ranked as the fifth wettest in the area's history with 47.57 inches of rain compared to a normal rainfall of 34.73 inches. This led to a drop in 2004's revenues when compared to 2003's operating revenues (in constant dollars). Year to year fluctuations are based primarily due to weather patterns, which affect water demand.

City of Farmers Branch - Position Summary (by Department)

	Amended 2003-2004	Amended 2004-2005	Amended 2005-2006	Amended 2006-07	Adopted 2007-08
General Administration					
Full-Time	8.50	8.50	7.50	6.50	7.00
Part-Time	0.00	0.00	0.00	0.00	0.00
Communications					
Full-Time	4.00	4.00	4.00	4.00	4.00
Part-Time	3.00	3.00	3.00	2.00	2.00
Economic Development & Tourism					
Full-Time	2.00	2.00	2.00	4.00	4.00
Part-Time	1.00	1.00	1.00	1.00	1.00
Human Resources					
Full-Time	7.00	7.00	7.00	7.00	7.00
Part-Time	0.00	0.00	0.00	1.00	2.00
Finance					
Full-Time	29.00	29.50	27.50	27.50	27.00
Part-Time	3.50	5.00	5.00	5.00	5.00
Community Services					
Full-Time	25.00	24.00	24.00	26.00	26.00
Part-Time	1.00	1.00	1.00	1.00	1.00
Engineering					
Full-Time	19.00	18.00	18.00	18.00	18.00
Part-Time	0.00	0.00	0.00	0.00	0.00
Public Works					
Full-Time	69.00	68.00	62.00	62.00	62.00
Part-Time	0.00	2.00	3.00	1.00	1.00
Police					
Full-Time	106.00	106.00	107.00	107.00	110.00
Part-Time	8.00	8.00	9.00	10.00	10.00
Fire					
Full-Time	64.00	64.00	64.00	72.00	80.00
Part-Time	0.00	1.00	1.00	0.00	0.00
Parks & Recreation					
Full-Time	65.00	64.00	64.00	64.00	64.00
Part-Time	98.00	98.00	100.00	101.00	101.00
Library					
Full-Time	17.00	17.00	19.00	19.00	19.00
Part-Time	12.00	12.00	14.00	14.00	14.00
Equipment Services					
Full-Time	11.00	11.00	10.00	11.00	11.00
Part-Time	1.00	1.00	1.00	1.00	1.00
<i>Total Full-Time Positions</i>	426.50	423.00	416.00	428.00	439.00
<i>Total Part-Time Positions</i>	127.50	132.00	138.00	137.00	138.00
<i>Total Full-Time Equivalents</i>	471.65	473.31	467.27	480.24	491.48

City of Farmers Branch - Position Summary

Personnel Schedules

Dept./ Division	Position	Grade	Amended 2003-04	Amended 2004-05	Amended 2005-06	Amended 2006-07	Adopted 2007-08
1002	GENERAL ADMINISTRATION						
	Assistant City Manager	E46	2.00	2.00	2.00	2.00	2.00
	Assistant to City Manager	G31	1.00	1.00	0.00	0.00	0.00
	Assistant to City Manager - Project Coord.	G31	1.00	1.00	1.00	1.00	1.00
	City Manager	106	1.00	1.00	1.00	1.00	1.00
	City Secretary	G32	1.00	1.00	1.00	1.00	1.00
	Executive Assistant	G26	1.00	1.00	1.00	1.00	1.00
	Management Analyst	G31	0.50	0.50	0.50	0.50	1.00
	Senior Administrative Assistant	G22	1.00	1.00	1.00	0.00	0.00
	Full-Time Total		8.50	8.50	7.50	6.50	7.00
1104	COMMUNICATIONS						
	Communications Director	G34	1.00	1.00	1.00	1.00	1.00
	Communications Technician	G20	1.00	1.00	1.00	1.00	1.00
	Senior Administrative Asst.	G22	1.00	1.00	1.00	1.00	1.00
	Video Engineer	G24	1.00	1.00	1.00	1.00	1.00
	Video Technician P/T **	43	3.00	3.00	3.00	2.00	2.00
	Full-Time Total		4.00	4.00	4.00	4.00	4.00
	Part-Time Total **		3.00	3.00	3.00	2.00	2.00
1205	ECONOMIC DEVELOPMENT & TOURISM						
	Director of Business Development & Expan.	G34	0.00	0.00	0.00	1.00	1.00
	Economic Development Analyst	G31	1.00	1.00	1.00	0.00	0.00
	Economic Development Director	E41	0.00	0.00	0.00	1.00	1.00
	Marketing Specialist	G26	0.00	0.00	0.00	1.00	1.00
	Full-Time Total		1.00	1.00	1.00	3.00	3.00
1509	HUMAN RESOURCES						
	Administrative Assistant	G21	1.00	1.00	0.00	0.00	0.00
	Administrative Technician	G19	0.00	0.00	1.00	1.00	1.00
	Director of Human Resources	E43	1.00	1.00	1.00	1.00	1.00
	Human Resources Analyst	G31	1.00	1.00	1.00	0.00	0.00
	Human Resources Assistant	G23	0.00	0.00	1.00	1.00	1.00
	Human Resources Manager	G34	0.00	0.00	0.00	1.00	1.00
	Human Resources Technician	G24	1.00	1.00	0.00	0.00	0.00
	Program Coordinator	G25	0.00	0.00	1.00	1.00	1.00
	Receptionist	G17	1.00	1.00	1.00	1.00	1.00
	Risk Manager	G34	1.00	1.00	1.00	1.00	1.00
	Senior Administrative Assistant	G22	1.00	1.00	0.00	0.00	0.00
	Background Investigator P/T **	52	0.00	0.00	0.00	1.00	2.00
	Full-Time Total		7.00	7.00	7.00	7.00	7.00
	Part-Time Total **		0.00	0.00	0.00	1.00	2.00
2010	FINANCE						
	Finance Administration						
	Director of Finance	E46	1.00	1.00	1.00	1.00	1.00
	Financial Analyst	G32	1.00	1.00	1.00	1.00	1.00
	Finance Technician	G26	1.00	1.00	1.00	1.00	1.00
	Management Analyst	G31	0.50	0.50	0.50	0.50	0.00
	Full-Time Total		3.50	3.50	3.50	3.50	3.00
2112	Information Services						
	GIS Analyst	G30	1.00	1.00	1.00	1.00	1.00
	Help Desk Support Specialist	G26	1.00	1.00	1.00	1.00	1.00
	Director of Information Services	E41	1.00	1.00	1.00	1.00	1.00
	Network Administrator	G33	1.00	1.00	1.00	1.00	1.00
	Systems Analyst/Database Administrator	G32	1.00	1.00	1.00	1.00	1.00
	Systems Analyst/Programmer	G32	1.00	1.00	1.00	1.00	1.00
	Systems Support Specialist	G28	1.00	1.00	1.00	1.00	1.00
	Information Tech Intern P/T **	41	0.00	1.00	1.00	1.00	1.00
	Full-Time Total		7.00	7.00	7.00	7.00	7.00
	Part-Time Total **		0.00	1.00	1.00	1.00	1.00

City of Farmers Branch - Position Summary

Personnel Schedules

Dept./ Division	Position	Grade	Amended 2003-04	Amended 2004-05	Amended 2005-06	Amended 2006-07	Adopted 2007-08
2014	Accounting						
	Accounts Payable Specialist	G18	1.00	1.00	1.00	0.00	0.00
	Accounts Payable Specialist	G21	0.00	0.00	0.00	1.00	1.00
	Chief Accountant	G35	1.00	1.00	1.00	1.00	1.00
	Customer Service Representative	G21	2.00	2.00	2.00	2.00	2.00
	Customer Service Supervisor	G29	1.00	1.00	1.00	1.00	1.00
	Senior Accountant	G31	1.00	1.00	1.00	1.00	1.00
	Full-Time Total		6.00	6.00	6.00	6.00	6.00
2511	Purchasing						
	Administrative Technician	G19	1.00	1.00	1.00	1.00	1.00
	Purchasing Agent	G31	1.00	1.00	1.00	1.00	1.00
	Full-Time Total		2.00	2.00	2.00	2.00	2.00
5033	Municipal Court						
	Assistant Court Administrator	G25	1.00	1.00	1.00	1.00	1.00
	Bailiff (Funded from Bldg. Security Fund)	G21	0.50	1.00	0.00	0.00	0.00
	Court Administrator	G33	1.00	1.00	1.00	1.00	1.00
	Deputy Court Clerk	G17	7.00	7.00	7.00	7.00	7.00
	Police Officer	P14	1.00	1.00	0.00	0.00	0.00
	Alternate City Judge P/T** (unfunded)	46	2.00	3.00	3.00	3.00	3.00
	Bailiff P/T ** (Funded from Bldg. Security Fund)	47	0.50	0.00	0.00	0.00	0.00
	City Judge P/T **	46	1.00	1.00	1.00	1.00	1.00
	Full-Time Total		10.50	11.00	9.00	9.00	9.00
	Part-Time Total **		3.50	4.00	4.00	4.00	4.00
	<i>Finance Full-Time</i>		<i>29.00</i>	<i>29.50</i>	<i>27.50</i>	<i>27.50</i>	<i>27.00</i>
	<i>Finance Part-Time</i>		<i>3.50</i>	<i>5.00</i>	<i>5.00</i>	<i>5.00</i>	<i>5.00</i>
3016	COMMUNITY SERVICES						
	Community Services Administration						
	Administrative Assistant	G21	1.00	1.00	1.00	2.00	2.00
	Director of Community Services	E44	1.00	1.00	1.00	1.00	1.00
	Director of Planning	G39	1.00	1.00	1.00	1.00	1.00
	Office Manager	G26	1.00	1.00	1.00	1.00	1.00
	Permit Technician	G21	1.00	1.00	1.00	0.00	0.00
	Planner Associate	G26	1.00	1.00	1.00	1.00	1.00
	Planning Analyst	G27	1.00	1.00	1.00	1.00	1.00
	Senior Planner	G31	1.00	1.00	1.00	1.00	1.00
	Full-Time Total		8.00	8.00	8.00	8.00	8.00
3017	Building Inspection						
	Administrative Technician	G19	1.00	0.00	0.00	0.00	0.00
	Backflow Inspector	G30	1.00	0.00	0.00	0.00	0.00
	Building Inspector	G27	1.00	1.00	1.00	1.00	1.00
	Building Official	G38	1.00	1.00	1.00	1.00	1.00
	Code Enforcement Officer	G25	4.00	4.00	4.00	5.00	5.00
	Electrical Inspector	G30	1.00	1.00	1.00	1.00	1.00
	Mechanics System Inspector	G30	1.00	1.00	1.00	1.00	1.00
	Permit Technician	G21	0.00	0.00	0.00	1.00	1.00
	Plans Examiner	G27	1.00	1.00	1.00	1.00	1.00
	Full-Time Total		11.00	9.00	9.00	11.00	11.00

City of Farmers Branch - Position Summary

Personnel Schedules

Dept./ Division	Position	Grade	Amended 2003-04	Amended 2004-05	Amended 2005-06	Amended 2006-07	Adopted 2007-08
3019	Environmental Health						
	Animal Control Officer	G18	2.00	3.00	3.00	3.00	3.00
	Consumer Health Specialist	G31	1.00	1.00	1.00	1.00	1.00
	Environmental Health Manager	G36	1.00	1.00	1.00	1.00	1.00
	Environmental Health Specialist	G27	1.00	1.00	1.00	1.00	1.00
	Environmental Administrator	G32	1.00	1.00	1.00	1.00	1.00
	Environmental Health Assistant P/T **	41	1.00	1.00	1.00	1.00	1.00
	Full-Time Total		6.00	7.00	7.00	7.00	7.00
	Part-Time Total **		1.00	1.00	1.00	1.00	1.00
	<i>Community Services Full-Time</i>		25.00	24.00	24.00	26.00	26.00
	<i>Community Services Part-Time **</i>		1.00	1.00	1.00	1.00	1.00
3521	ENGINEERING						
	Engineering Administration						
	City Engineer	E44	1.00	1.00	1.00	1.00	1.00
	Construction Inspector	G28	3.00	3.00	3.00	3.00	3.00
	Engineering Assistant	G26	0.00	0.00	1.00	1.00	1.00
	Engineering Technician	G27	4.00	3.00	3.00	3.00	3.00
	Project Engineer	G37	1.00	1.00	1.00	1.00	1.00
	Project Landscape Architect	G32	1.00	1.00	1.00	1.00	1.00
	Project Manager	G39	2.00	2.00	2.00	2.00	2.00
	Senior Administrative Assistant	G22	1.00	1.00	0.00	1.00	1.00
	Full-Time Total		13.00	12.00	12.00	13.00	13.00
3522	Traffic Engineering						
	Lead Signal Technician	G28	1.00	1.00	1.00	1.00	1.00
	Senior Traffic Engineering Technician	G30	1.00	1.00	1.00	1.00	1.00
	Signal Technician	G24	2.00	2.00	2.00	2.00	2.00
	Signal Technician Assistant	G15	1.00	1.00	1.00	0.00	0.00
	Traffic Engineer	G39	1.00	1.00	1.00	1.00	1.00
	Full-Time Total		6.00	6.00	6.00	5.00	5.00
	<i>Engineering Full-Time</i>		19.00	18.00	18.00	18.00	18.00
4020	PUBLIC WORKS						
	Public Works Administration						
	Administrative Assistant	G21	1.00	1.00	1.00	1.00	1.00
	Assistant to Director	G31	1.00	1.00	1.00	1.00	1.00
	Director of Public Works	E45	1.00	1.00	1.00	1.00	1.00
	Office Manager	G26	1.00	1.00	1.00	1.00	1.00
	Full-Time Total		4.00	4.00	4.00	4.00	4.00
4024	Solid Waste Collection						
	Driver I	G20	11.00	11.00	11.00	10.00	10.00
	Foreman I	G24	2.00	2.00	2.00	2.00	2.00
	Gate Attendant	G16	1.00	0.00	0.00	0.00	0.00
	Landfill Administrator	G34	0.00	0.00	0.00	1.00	1.00
	Solid Waste Manager	G31	1.00	1.00	1.00	1.00	1.00
	Driver I P/T **	46	0.00	0.00	1.00	1.00	1.00
	Full-Time Total		15.00	14.00	14.00	14.00	14.00
	Part-Time Total **		0.00	0.00	1.00	1.00	1.00

City of Farmers Branch - Position Summary

Personnel Schedules

Dept/ Division	Position	Grade	Amended 2003-04	Amended 2004-05	Amended 2005-06	Amended 2006-07	Adopted 2007-08
4027	Street Maintenance						
	Crew Leader, Public Works	G24	3.00	3.00	3.00	2.00	2.00
	Equipment Operator II, Street	G20	1.00	1.00	1.00	1.00	1.00
	Equipment Operator III, Street	G22	4.00	4.00	3.00	3.00	3.00
	General Foreman	G29	1.00	1.00	1.00	1.00	1.00
	Paving & Drainage Technician	G20	5.00	5.00	2.00	2.00	2.00
	Senior Paving & Drainage Technician	G22	2.00	2.00	3.00	4.00	4.00
	Street Operations Specialis	G26	3.00	3.00	3.00	3.00	3.00
	Street Superintendent	G34	1.00	1.00	1.00	1.00	1.00
	Paving & Drainage Technician P/T **	49	0.00	2.00	2.00	0.00	0.00
	Full-Time Total		20.00	20.00	17.00	17.00	17.00
	Part-Time Total **		0.00	2.00	2.00	0.00	0.00
	<i>Public Works Full-Time</i>		<i>39.00</i>	<i>38.00</i>	<i>35.00</i>	<i>35.00</i>	<i>35.00</i>
	<i>Public Works Part-Time **</i>		<i>0.00</i>	<i>2.00</i>	<i>3.00</i>	<i>1.00</i>	<i>1.00</i>
4530	POLICE						
	Police Administration						
	Assistant to Police Chief	G26	1.00	1.00	0.00	0.00	0.00
	Office Coordinator	G24	0.00	0.00	1.00	1.00	1.00
	Police Chief	E45	1.00	1.00	1.00	1.00	1.00
	Senior Administrative Assistant	G22	1.00	1.00	1.00	1.00	1.00
	Hearing Officer P/T **	47	0.00	0.00	0.00	1.00	1.00
	Full-Time Total		3.00	3.00	3.00	3.00	3.00
	Part-Time Total **		0.00	0.00	0.00	1.00	1.00
4531	Police Investigation:						
	Lieutenant	P18	2.00	2.00	2.00	2.00	2.00
	Police Assistant	G16	0.00	0.00	0.00	0.00	1.00
	Police Officer	P14	9.00	9.00	9.00	9.00	9.00
	Sergeant	P17	3.00	3.00	3.00	3.00	3.00
	Full-Time Total		14.00	14.00	14.00	14.00	15.00
4532	Police Patrol						
	Corporal	P14	5.00	4.00	4.00	4.00	4.00
	Department Courier	G15	1.00	1.00	1.00	1.00	1.00
	Deputy Chief	G37	1.00	1.00	1.00	1.00	1.00
	Detention Officer	G20	13.00	13.00	13.00	13.00	14.00
	Lieutenant	P18	4.00	5.00	5.00	5.00	5.00
	Police Assistant	G16	0.00	0.00	0.00	0.00	1.00
	Police Officer	P14	40.00	40.00	41.00	41.00	41.00
	Sergeant	P17	5.00	5.00	5.00	5.00	5.00
	Bailiff P/T **	47	0.00	0.00	1.00	1.00	1.00
	School Crossing Guard P/T **	38	8.00	8.00	8.00	8.00	8.00
	Full-Time Total		69.00	69.00	70.00	70.00	72.00
	Part-Time Total **		8.00	8.00	9.00	9.00	9.00
4535	Police Communications						
	Administrative Technician	G19	3.00	3.00	3.00	3.00	3.00
	Communication's Specialist	G20	15.00	15.00	15.00	15.00	15.00
	Deputy Chief	G37	1.00	1.00	1.00	1.00	1.00
	Lieutenant	P18	1.00	1.00	1.00	1.00	1.00
	Full-Time Total		20.00	20.00	20.00	20.00	20.00
	<i>Police Full-Time</i>		<i>106.00</i>	<i>106.00</i>	<i>107.00</i>	<i>107.00</i>	<i>110.00</i>
	<i>Police Part-Time **</i>		<i>8.00</i>	<i>8.00</i>	<i>9.00</i>	<i>10.00</i>	<i>10.00</i>
5540	FIRE						
	Administration						
	Administrative Assistant	G21	0.00	0.00	1.00	0.00	0.00
	Deputy Chief Administrative Service	G37	1.00	1.00	1.00	1.00	1.00
	Deputy Chief Operations	G37	1.00	1.00	1.00	1.00	1.00
	EMS Coordinator	G35	0.00	0.00	0.00	1.00	1.00
	Fire Chief	E45	1.00	1.00	1.00	1.00	1.00
	Office Coordinator	G25	1.00	1.00	0.00	1.00	1.00
	Technical Coordinator (Fire	G30	1.00	1.00	1.00	1.00	1.00
	Full-Time Total		5.00	5.00	5.00	6.00	6.00

City of Farmers Branch - Position Summary

Personnel Schedules

Dept/ Division	Position	Grade	Amended 2003-04	Amended 2004-05	Amended 2005-06	Amended 2006-07	Adopted 2007-08
5541	Prevention						
	Capt./Fire Prevention Specialis	F5	1.00	1.00	1.00	1.00	1.00
	Deputy Chief Prevention	G37	1.00	1.00	1.00	1.00	1.00
	Fire Lt./Inspector	F3	1.00	1.00	1.00	1.00	1.00
	Fire Prevention Training Coordinato	G26	1.00	1.00	1.00	1.00	1.00
	Injury Prevention Assistant P/T **	46	0.00	1.00	1.00	0.00	0.00
	Full-Time Total		4.00	4.00	4.00	4.00	4.00
5542	Part-Time Total **		0.00	1.00	1.00	0.00	0.00
	Fire Operations						
	Battalion Chief	F8	3.00	3.00	3.00	3.00	3.00
	Fire Captain	F6	6.00	6.00	6.00	6.00	9.00
	Fire E.O.	F2	11.00	11.00	11.00	12.00	15.00
	Fire E.S.O.	F1	28.00	28.00	28.00	35.00	37.00
	Fire Lieutenant/Operation	F4	7.00	7.00	7.00	6.00	6.00
6050	Full-Time Total		55.00	55.00	55.00	62.00	70.00
	<i>Fire Full-Time</i>		64.00	64.00	64.00	72.00	80.00
	<i>Fire Part-Time</i>		0.00	1.00	1.00	0.00	0.00
	PARKS AND RECREATION						
	Parks and Recreation Administration						
	Assistant Director PARE	G39	1.00	1.00	1.00	1.00	1.00
	Athletic Program Coordinator	G24	1.00	0.60	0.60	0.60	0.60
6018	Director of PARD	E45	1.00	1.00	1.00	1.00	1.00
	Office Manager	G26	1.00	1.00	1.00	1.00	1.00
	Senior Administrative Assistan	G22	1.00	1.00	1.00	1.00	1.00
	Full-Time Total		5.00	4.60	4.60	4.60	4.60
	Building Maintenance						
	Building Maintenance Technician	G23	1.00	1.00	1.00	1.00	1.00
	Building Maintenance Technician I	G28	2.00	2.00	2.00	2.00	2.00
6051	City Electrician	G32	1.00	1.00	1.00	1.00	1.00
	Facility Maintenance Superintendent	G33	1.00	1.00	1.00	1.00	1.00
	Information Assistant P/T **	41	1.00	0.00	0.00	0.00	0.00
	Full-Time Total		5.00	5.00	5.00	5.00	5.00
	Part-Time Total **		1.00	0.00	0.00	0.00	0.00
	Park Maintenance						
	Assistant to the Director PARE	G26	1.00	1.00	0.00	0.00	0.00
6051	Athletic Fields Specialist	G19	1.00	1.00	1.00	1.00	1.00
	Athletic Fields Specialist I	G23	1.00	1.00	1.00	1.00	1.00
	Chemicals Specialist	G24	1.00	1.00	1.00	1.00	1.00
	Equipment Operator I, Parks	G19	1.00	1.00	1.00	1.00	1.00
	Equipment Operator II, Parks	G21	1.00	1.00	1.00	1.00	1.00
	Equipment Operator III, Parks	G23	2.00	2.00	2.00	2.00	2.00
	Irrigation Specialist	G23	2.00	2.00	2.00	2.00	2.00
6051	Park District Supervisor	G27	2.00	2.00	2.00	2.00	2.00
	Park Landscape Manager	G32	1.00	1.00	1.00	1.00	1.00
	Park Maintenance Crew Leader	G22	7.00	7.00	8.00	8.00	8.00
	Park Maintenance Supervisor	G31	1.00	1.00	1.00	1.00	1.00
	Park Maintenance Technician	G17	17.00	16.00	16.00	16.00	16.00
	Park Superintendent	G34	1.00	1.00	1.00	1.00	1.00
	Laborer P/T **	35	11.00	12.00	14.00	15.00	15.00
6051	Park Rover P/T **	40	1.00	1.00	1.00	1.00	1.00
	Full-Time Total		39.00	38.00	38.00	38.00	38.00
	Part-Time Total **		12.00	13.00	15.00	16.00	16.00

City of Farmers Branch - Position Summary

Personnel Schedules

Dept/ Division	Position	Grade	Amended 2003-04	Amended 2004-05	Amended 2005-06	Amended 2006-07	Adopted 2007-08
6052	Recreation						
	Recreation Center Manager	G31	1.00	1.00	1.00	1.00	1.00
	Recreation Programmer	G25	3.00	3.00	3.00	3.00	3.00
	Recreation Programmer Assistant	G19	1.00	1.00	1.00	1.00	1.00
	Recreation Superintendent	G35	1.00	1.00	1.00	1.00	1.00
	Special Projects Manager	G27	0.65	1.00	1.00	1.00	1.00
	Coordinator Assistant P/T **	32	1.00	1.00	1.00	1.00	1.00
	Fitness Attendant P/T**	45	6.00	6.00	6.00	6.00	6.00
	Recreation Leader P/T **	45	8.00	8.00	8.00	8.00	8.00
	Youth Leader P/T **	32	32.00	32.00	32.00	32.00	32.00
	Youth Program Supervisor P/T **	43	6.00	6.00	6.00	6.00	6.00
	Full-Time Total		6.65	7.00	7.00	7.00	7.00
	Part-Time Total **		53.00	53.00	53.00	53.00	53.00
6053	Swimming Pool						
	Assistant Pool Manager P/T **	39	2.00	2.00	2.00	2.00	2.00
	Cashier P/T **	30	3.00	3.00	3.00	3.00	3.00
	Head Cashier P/T **	36	1.00	1.00	1.00	1.00	1.00
	Lifeguard P/T **	34	20.00	20.00	20.00	20.00	20.00
	Pool Manager P/T **	43	1.00	1.00	1.00	1.00	1.00
	Part-Time Total **		27.00	27.00	27.00	27.00	27.00
6054	Senior Center						
	Recreation Programmer, Senior Center	G25	3.00	3.00	3.00	3.00	3.00
	Senior Center Supervisor	G27	1.00	1.00	1.00	1.00	1.00
	Building Attendant P/T **	31	2.00	2.00	2.00	2.00	2.00
	Recreation Leader P/T **	45	1.00	1.00	1.00	1.00	1.00
	Full-Time Total		4.00	4.00	4.00	4.00	4.00
	Part-Time Total **		3.00	3.00	3.00	3.00	3.00
	Parks Full-Time		59.65	58.60	58.60	58.60	58.60
	Parks Part-Time **		96.00	96.00	98.00	99.00	99.00
6569	LIBRARY						
	Administrative Assistant	G21	1.00	1.00	1.00	1.00	1.00
	Adult Services Supervisor	G27	1.00	1.00	1.00	1.00	1.00
	Assistant Director (Library)	G34	1.00	1.00	1.00	1.00	1.00
	Assistant Librarian	G24	1.00	1.00	1.00	1.00	1.00
	Children's Librarian	G27	1.00	1.00	1.00	1.00	1.00
	Circulation Supervisor	G24	1.00	1.00	1.00	1.00	1.00
	Information Technology Librarian	G30	1.00	1.00	0.00	0.00	0.00
	Library Assistant	G15	3.00	3.00	4.00	4.00	4.00
	Library Director	E41	1.00	1.00	1.00	1.00	1.00
	Library Public Services Manager	G33	0.00	0.00	1.00	1.00	1.00
	Library Technician	G16	1.00	1.00	1.00	1.00	1.00
	Reference Librarian	G25	3.00	3.00	3.00	3.00	3.00
	Support Services Manager	G33	0.00	0.00	1.00	1.00	1.00
	Technical Services Manager	G30	1.00	1.00	1.00	1.00	1.00
	Youth Services Supervisor	G28	1.00	1.00	1.00	1.00	1.00
	Children's Librarian P/T **	47	1.00	1.00	1.00	1.00	1.00
	Library Assistant P/T **	44	9.00	9.00	10.00	10.00	10.00
	Library Cataloger P/T **	47	1.00	1.00	1.00	1.00	1.00
	Reference Librarian P/T **	47	0.00	0.00	1.00	1.00	1.00
	Youth Services Outreach Librarian P/T **	47	1.00	1.00	1.00	1.00	1.00
	Full-Time Total		17.00	17.00	19.00	19.00	19.00
	Part-Time Total **		12.00	12.00	14.00	14.00	14.00

City of Farmers Branch - Position Summary

Personnel Schedules

Dept/ Division	Position	Grade	Amended 2003-04	Amended 2004-05	Amended 2005-06	Amended 2006-07	Adopted 2007-08
8085	PUBLIC WORKS						
	Water & Sewer Administration						
	Administrative Assistant	G21	1.00	1.00	0.00	0.00	0.00
	Assistant Director	G39	0.00	0.00	0.00	1.00	1.00
8086	Superintendent (Utilities)	G33	1.00	1.00	1.00	0.00	0.00
	Full-Time Total		2.00	2.00	1.00	1.00	1.00
	Water & Sewer Operations						
	Engineering Specialist	G29	3.00	3.00	3.00	3.00	3.00
8086	Foreman I	G24	6.00	6.00	5.00	5.00	5.00
	General Foreman	G29	1.00	1.00	1.00	1.00	1.00
	Meter Reader	G17/G19	3.00	3.00	3.00	3.00	3.00
	Meter Reader Supervisor	G20	1.00	1.00	1.00	1.00	1.00
8086	Pump Station Supervisor	G25	0.00	0.00	1.00	1.00	1.00
	Senior Pump Operator	G23	1.00	1.00	0.00	0.00	0.00
	Utility Maintenance Worker	G22	13.00	13.00	12.00	12.00	12.00
	Full-Time Total		28.00	28.00	26.00	26.00	26.00
Public Works Full-Time			30.00	30.00	27.00	27.00	27.00
7080	EQUIPMENT SERVICES						
	Equipment Services						
	Administrative Assistant	G21	1.00	1.00	1.00	1.00	1.00
	Auto Technician	G24	6.00	6.00	6.00	6.00	6.00
7080	Auto Technician Overfill (Temporary)	G24	0.00	0.00	0.00	1.00	1.00
	Auto Technician Foreman	G26	1.00	1.00	1.00	1.00	1.00
	Director of Equipment Services	G38	1.00	1.00	1.00	1.00	1.00
	Fleet Maintenance Superintendent	G33	1.00	1.00	1.00	1.00	1.00
7080	Inventory/Hazardous Substance Technician	G19	1.00	1.00	0.00	0.00	0.00
	Auto Technician P/T **	35	1.00	1.00	1.00	1.00	1.00
	Full-Time Total		11.00	11.00	10.00	11.00	11.00
	Part-Time Total **		1.00	1.00	1.00	1.00	1.00
9092	PARKS AND RECREATION						
	Historical Preservation						
	Administrative Assistant	G21	1.00	1.00	1.00	1.00	1.00
	Athletic Program Coordinator	G24	0.00	0.40	0.40	0.40	0.40
9092	Curator	G26	1.00	1.00	1.00	1.00	1.00
	Historical Park Superintendent	G33	1.00	1.00	1.00	1.00	1.00
	Museum Educator	G26	1.00	1.00	1.00	1.00	1.00
	Park Maintenance Technician	G20	1.00	1.00	1.00	1.00	1.00
9092	Special Projects Manager	G27	0.35	0.00	0.00	0.00	0.00
	Park Attendant P/T **	51	2.00	2.00	2.00	2.00	2.00
	Full-Time Total		5.35	5.40	5.40	5.40	5.40
	Part-Time Total **		2.00	2.00	2.00	2.00	2.00
9093	ECONOMIC DEVELOPMENT & TOURISM						
	Promotion of Tourism						
	Sales Executive	G25	1.00	1.00	0.00	0.00	0.00
	Tourism Sales Manager	G28	0.00	0.00	1.00	1.00	1.00
9093	Intern P/T **	35	1.00	1.00	1.00	1.00	1.00
	Full-Time Total		1.00	1.00	1.00	1.00	1.00
	Part-Time Total **		1.00	1.00	1.00	1.00	1.00

City of Farmers Branch - Position Summary

Personnel Schedules

Dept/ Division	Position	Grade	Amended 2003-04	Amended 2004-05	Amended 2005-06	Amended 2006-07	Adopted 2007-08
	General Fund Full-Time Total		379.15	375.00	372.00	383.00	394.00
	General Fund Part-Time Total **		123.00	128.00	134.00	133.00	134.00
	Utility Fund Full-Time Total		30.00	30.00	27.00	27.00	27.00
	Internal Service Fund Full-Time Total		11.00	11.00	10.00	11.00	11.00
	Internal Service Fund Part-Time Total **		1.00	1.00	1.00	1.00	1.00
	Hotel/Motel Fund Full-Time Total		6.35	6.40	6.40	6.40	6.40
	Hotel/Motel Fund Part-Time Total **		3.00	3.00	3.00	3.00	3.00
	Building Security/Court Security Full-Time Total		0.00	0.60	0.60	0.60	0.60
	Building Security/Court Security Part-Time Total		0.50	0.00	0.00	0.00	0.00
	ALL FUNDS FULL-TIME TOTAL		426.50	423.00	416.00	428.00	439.00
	ALL FUNDS PART-TIME TOTAL **		127.50	132.00	138.00	137.00	138.00
	ALL FUNDS FULL-TIME EQUIVALENT (FTE)		471.65	473.31	467.27	480.24	491.48

** Denotes Part-Time Positions

CITY CHARTER

§ 4-1

§ 4-5

ARTICLE IV. Budget

Sec. 4.01. Fiscal Year: Budget Year; Accounting Year.

The fiscal year of the City government shall begin on the first day of October and shall end on the last day of September of each calendar year. The fiscal year shall constitute the budget and the accounting year.

Sec. 4.02. Preparation and Submission of Budget.

Prior to the 1st day of August in each year, the City Manager shall prepare, file with the City Secretary, and furnish to each member of the Council a carefully itemized budget outlining anticipated receipts and proposed expenditures of the City, showing as definitely as possible appropriations desired for each project and the operation for the next succeeding fiscal year, comparing the same with the budget of the then current fiscal year, and stating the estimated receipts and expenditures of the current year. Concurrently with the submission of an operating budget, the City Manager shall prepare and present a capital projects budget outlining all proposed capital projects and sources of funding for a period of at least three (3) years. The City Manager shall also outline all debt service payments and sources of funding. Each employee, officer, board and department shall furnish the City Manager such information as may be required by the Manager for the proper preparation of each budget. The proposed budget shall contain an estimate of the rate of tax required for the then current calendar year. (Amended, Charter Amd. No. 11, No. 12, and No. 28, approved on January 21, 1989) (Amended, Charter Amd. No. 8, approved on May 1, 1999)

Sec. 4.03. Budget Form.

At the head of the budget there shall appear a summary of the budget, in such a manner as to present to taxpayers a simple and clear summary of the detailed estimates of the budget. The City Manager shall at the same time submit a budget message explaining the need of the requested appropriations and stating what pending capital projects, if any, will likely require the issuance of bonds or warrants.

Sec. 4.04. Budget a Public Record.

The budget and budget message and all supporting schedules shall be a public record in the office of the City Secretary open to public inspection by anyone.

Sec. 4.05. Publication and Notice of Public Hearing.

The budget shall be filed with the City Secretary before the 30th day before the City establishes and sets its tax rate. The City Council shall call and hold a public hearing on the budget after the 25th day after the budget is filed with the City Secretary. Notice of the public hearing shall be published at least one time in a newspaper of general circulation not earlier than thirty (30) days nor later than ten (10) days before the date of the public hearing. (Amended, Charter Amd. No. 5, approved on April 20, 1968) (Amended, Charter Amd. No. 2, approved on May 1, 1999)

CITY CHARTER

§ 4-6

§ 4-11

ARTICLE IV. Budget

Sec. 4.06. Hearing and Adoption of Budget.

At the time advertised or at any time to which public hearing shall be adjourned, the Council shall hold a public hearing on the budget as submitted, at which all interested persons shall be given an opportunity to be heard for or against the estimates or any item therein. After the conclusion of such public hearing, the Council may make such changes, if any, in the budget as in their judgment the law warrants and the best interests of the taxpayers of the City demand. The budget, as amended, if there be changes, shall then be adopted by Ordinance which shall also fix the tax rate per \$100 assessed value which shall apply to the current tax year. The City Manager shall file a copy of the budget with the County Clerk of Dallas County and with the Comptroller of the State of Texas.

Sec. 4.07. Budget Establishes Appropriations and Amount to be Raised by Ad Valorem Taxation.

The budget shall state the amount of money to be raised by ad valorem taxation. (Amended, Charter Amd. No. 13 and No. 14, approved January 21, 1989)

Sec. 4.08. Unallocated Reserve Fund.

When recommended by the City Manager and in the discretion of the Council the budget may contain a reasonable sum set aside as an unallocated reserve fund to meet unexpected and unforeseen contingencies in current operating costs of any budget project.

Sec. 4.09. Amendment and Supplemental Budgets.

In case of grave public necessity, emergency expenditures to meet unusual and unforeseen conditions which could not, by reasonable diligent thought and attention, have been included in the original budget may from time to time be authorized, upon the affirmative vote of a majority of a quorum of the Council, as amendments or supplements to the original budget. Such supplements and amendments shall be approved in an ordinance and shall be filed with the original budget.

Sec. 4.10. Defect Shall not Invalidate Tax Levy.

Defects in the form or preparation of the budget or the failure to perform any procedural requirement shall not invalidate any tax levy or the tax roll.

Sec. 4.11. Budget Establishes Appropriations; Transfer of Unencumbered Appropriations.

Amounts set forth in the budget as approved expenditures shall be appropriated to the objects and purposes identified therein. The City Council may authorize the City Manager to transfer unencumbered appropriations within a department to an extent identified by the Council in its grant of such authorization. The Council, by ordinance, may amend the budget by transferring any unencumbered amounts within any fund of the City. (Amended, Charter Amd. No. 14, approved on January 21, 1989)

**ORDINANCE NO. 2934**

AN ORDINANCE OF THE CITY OF FARMERS BRANCH, TEXAS, PROVIDING FUNDS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2007 AND ENDING SEPTEMBER 30, 2008, BY APPROVING THE BUDGET FOR SAID PERIOD AND APPROPRIATING AND SETTING ASIDE THE NECESSARY FUNDS OUT OF THE GENERAL AND OTHER REVENUES OF THE CITY OF FARMERS BRANCH FOR SAID FISCAL YEAR FOR THE MAINTENANCE AND OPERATION OF VARIOUS DEPARTMENTS AND FOR VARIOUS ACTIVITIES AND IMPROVEMENTS OF THE CITY.

WHEREAS, as required by Section 4.02 of the City Charter, the City Manager has prepared and submitted to the City Council a budget estimate of expenditures and revenues of all City departments, activities and offices for the fiscal year beginning October 1, 2007 and ending September 30, 2008; and,

WHEREAS, said budget has been filed with the City Secretary of the City of Farmers Branch, Texas, as required; and,

WHEREAS, notices of public hearing upon said budget have been duly and legally made; and,

WHEREAS, said public hearing has been held and full consideration given to said budget.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FARMERS BRANCH, TEXAS THAT:

SECTION 1. For the purpose of providing the funds necessary and proposed to be expended in the budget of the City of Farmers Branch for the fiscal year beginning October 1, 2007 and ending September 30, 2008, the budget heretofore prepared by the City Manager and submitted to the City Council for its consideration and approval and set forth as Exhibit "A" attached hereto be, and the same is hereby approved, and the available resources and revenues of the City of Farmers Branch for said fiscal year be, and the same are hereby appropriated and set aside for the maintenance and operation of the various departments of the government of the City of Farmers Branch, together with the various activities and improvements as set forth in said budget and the appropriation shall be strictly applied for the uses and purpose of the respective departments and activities as provided for in said budget.


SECTION 2. The said budget for the fiscal year beginning October 1, 2007 and ending September 30, 2008, approved herein, shall be attached to and made a part of this ordinance the same as if copied in full herein.

SECTION 3. Expenditures during the fiscal year beginning October 1, 2007 and ending September 30, 2008 shall be made in accordance with the budget approved by this ordinance of the City of Farmers Branch.

SECTION 4. Notwithstanding the foregoing, pursuant to Section 4.11 of the amended City Charter, the City Manager is hereby authorized to transfer unencumbered appropriations within each departmental division's summary budget category as itemized in the adopted budget. City Council approval is necessary for transfers of unencumbered appropriations between department divisions, departments, categories, or funds.

**DULY PASSED BY THE CITY COUNCIL OF THE CITY OF FARMERS BRANCH,
TEXAS, ON THE 18TH DAY OF SEPTEMBER 2007.**

ATTEST:



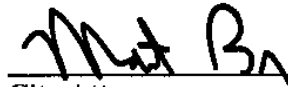
City Secretary

APPROVED:



Mayor

APPROVED AS TO FORM:



City Attorney

**ORDINANCE NO. 2936****AN ORDINANCE OF THE CITY OF FARMERS BRANCH, TEXAS, TO
LEVY THE TAX RATE FOR THE 2007-2008 FISCAL YEAR.**

WHEREAS, assessments and renditions of all taxable property in the City of Farmers Branch have been made for the year 2007 by the Dallas Central Appraisal District; and

WHEREAS, the total tax rate of \$0.4945 per \$100.00 of assessed value is the same tax rate adopted for the prior fiscal year; and

**WHEREAS, THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE
AND OPERATIONS THAN LAST YEAR'S TAX RATE; and**

**WHEREAS, THIS TAX RATE WILL RAISE TAXES FOR MAINTENANCE AND
OPERATIONS ON A \$100,000 RESIDENCE HOMESTEAD BY
APPROXIMATELY \$27.61; and**

WHEREAS, this tax rate will lower taxes for debt service on a \$100,000 residence homestead by approximately \$27.61 for a net total property tax change of zero.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF
FARMERS BRANCH, TEXAS:**

SECTION 1. The tax rate to be levied for the year 2007 on all taxable property, real, personal or mixed, located within the City of Farmers Branch, be, and is hereby fixed at \$0.438576 per \$100.00 of assessed value for general fund distribution and \$0.055924 per \$100.00 of assessed value for debt service distribution, for a total of \$0.4945 per \$100.00 of assessed value.

SECTION 2. That this ordinance shall take effect from and after its passage as is provided in the City Charter.

**DULY PASSED BY THE CITY COUNCIL OF THE CITY OF FARMERS BRANCH,
TEXAS, ON THE 18TH DAY OF SEPTEMBER 2007.**

ATTEST:

A handwritten signature in cursive script, appearing to read 'Cindy Peters', written over a horizontal line.

City Secretary

APPROVED:

A handwritten signature in cursive script, appearing to read 'Bob Phelps', written over a horizontal line.

Mayor

APPROVED AS TO FORM:



City Attorney



ORDINANCE NO. 2118

AN ORDINANCE GRANTING AN EXEMPTION TO A MARRIED OR UNMARRIED ADULT, INCLUDING ONE LIVING ALONE, FROM AD VALOREM TAXATION OF TWENTY PERCENT (20%) OF THE MARKET VALUE OF RESIDENCE HOMESTEAD, BUT NOT LESS THAN FIVE THOUSAND DOLLARS (\$5,000); GRANTING AN EXEMPTION OF \$60,000 OF THE ASSESSED VALUATION OF RESIDENCE HOMESTEADS OF PERSONS WHO ARE ON DISABILITY INSURANCE AND OF PERSONS SIXTY-FIVE (65) YEARS OF AGE OR OLDER FOR SAID YEAR; PROVIDING A SEVERABILITY CLAUSE AND DECLARING AN EMERGENCY.

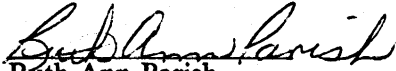
BE IT ORDAINED by the City Council of the City of Farmers Branch, Texas, that:

- Section 1. That pursuant to the Texas Constitution Article 8, Section 1-b, Subsection (e), the City Council of Farmers Branch, Texas, does hereby exempt from ad valorem taxation twenty percent (20%), but not less than five thousand dollars (\$5,000) of the market value of the residence homestead of a married or unmarried adult, including one living alone, for the tax year of 1994 and future years.
- Section 2. That pursuant to Article 8, Section 1-b, of the Texas Constitution, there is hereby granted a residence homestead exemption from ad valorem taxes to be levied of \$60,000 of the assessed valuation of residence homesteads of persons, married or unmarried, including those living alone, who are disabled for purposes of payment of disability insurance benefits under Federal Old Age, Survivors and Disability Insurance or its successors or of a married person sixty-five (65) years of age or older, including those living alone, for the tax year of 1994 and future years.
- Section 3. That pursuant to Article 8, Section 1-b, of the Texas Constitution, persons who are both sixty-five (65) years of age or older and disabled shall be entitled to only one exemption provided in Section 2 of this Ordinance.
- Section 4. Severability. If any section, sentence, phrase, word, paragraph or provision of this ordinance or the application of that section, sentence, phrase, word, paragraph or provision to any person, situation or circumstances is for any reason adjudged invalid, the adjudication shall not affect any other section, sentence, phrase, word, paragraph or provision of this ordinance or the application of any other section, sentence, phrase, word, paragraph or provision to any other person, situation or circumstances, nor shall such adjudication affect any other section, sentence, phrase, word, paragraph or provision of the Farmers Branch City Code. The City Council declares that it would have adopted the valid portions and applications of this ordinance without the invalid part, and to this end the provisions of this ordinance are declared to be severable.


Section 5. Emergency. The fact that the present ordinance and regulations of the City of Farmers Branch, Texas, are inadequate to properly safeguard the health, safety, morals, peace, and general welfare of the inhabitants of the City of Farmers Branch, Texas, creates an emergency for the immediate preservation of public business, property, health, safety, and general welfare of the public which requires that this ordinance shall become effective from and after the date of its passage it is accordingly so ordained.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF FARMERS BRANCH, TEXAS, this the 23rd day of May, 1994.

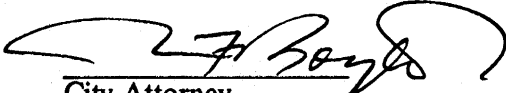
ATTEST:


Ruth Ann Parish
City Secretary

ACCEPTED:


David D. Blair
Mayor

APPROVED AS TO FORM:


City Attorney

GLOSSARY

Accounts Payable

A liability account reflecting amounts on open account owing to private persons or organizations for goods and services received by a government (but not including amounts due to other funds of the same government or to other governments).

Accounts Receivable

An asset account reflecting amounts owing to open accounts from private persons or organizations for goods and services furnished by a government.

Accrual

Basis of accounting under which revenues are recognized when earned and expenses are recognized when the related liabilities are incurred.

Actual

Actual, as used in the fund summaries and department and division summaries within the budget document, represents the actual costs results of operations. This category is presented on a GAAP basis, with the exception that depreciation and amortization are not budgeted and principal payments on debt in the enterprise funds are budgeted as expenses.

Ad Valorem Tax

A tax computed from the assessed valuation of land and improvements.

Adopted

Adopted, as used in the fund summaries and department and division summaries within the budget document, represents the budget as approved by the City Council.

Appropriation

An authorization made by the legislative body of a government that permits officials to incur obligations against and to make expenditures of governmental resources. Specific appropriations are usually made at the fund level and are granted for a one-year period.

Appropriation Ordinance

The official enactment by the legislative body establishing the legal authority for officials to obligate and expend resources.

Assessed Valuation

A government sets a valuation upon real estate or other property as a basis for levying taxes. An assessed valuation represents the appraised valuation less any exemptions.

Assets

Resources owned or held by the City, which have monetary value.

Beginning Balance

The beginning balance is the residual non-restricted funds brought forward from the previous fiscal year (ending balance).

Bond

A written promise to pay a sum of money on a specific date at a specified interest rate. The interest payments and the repayment of the principal are detailed in a bond ordinance. The most common types of bonds are General Obligation and Revenue Bonds. These are most frequently used for construction of large capital projects, such as buildings, streets, and bridges.

Bond Proceeds

Funds received from the sale of any bond issue.

Budget

The City's financial plan for a specific fiscal year that contains both the estimated revenues to be received during the year and the proposed expenditures to be incurred to achieve stated objectives.

Budget Calendar

The schedule of key dates or milestones that City departments follow in the preparation, adoption, and administration of the budget.

Budget Message

The opening section of the budget that provides the City Council and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, as well as the views and recommendation of the City Manager.

Budgetary Basis

Budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP), with the exception that (1) encumbrances are considered to be an expenditure chargeable to appropriations; (2) no depreciation is budgeted for proprietary funds; and (3) bond principal in the enterprise funds is subject to appropriation.

Capital Outlay

Includes the purchase of land, the purchase or construction of buildings, structures, and facilities of all types, plus machinery and equipment. It includes expenditures that result in the acquisition or addition of a fixed asset or increase the capacity, efficiency, span of life, or economy of operating an existing fixed asset. For an item to qualify as a capital outlay expenditure it must meet all of the following requirements: 1) have an estimated useful life of more than one year; 2) typically have a unit cost of \$5,000 or more; and 3) be a betterment or improvement. Replacement of a capital item is classified as a capital outlay under the same code as the original purchase. Replacement or repair parts are classified under commodities.

Capital Improvement Plan (CIP)

A capital improvements plan is a comprehensive plan which projects the capital needs of the community. Generally, it is a cyclical process that projects the needs for a set number of years. Capital improvements plans are essential to sound infrastructure and financial planning. The annual capital budget is derived from the long-term CIP.

Capital Project

Any project having assets of significant value and having a useful life of five years or more. Capital projects include the purchase of land, design, engineering and construction of buildings, and infrastructure items such as streets, bridges, drainage, street lighting, and water systems.

Capital Projects Funds

Funds used to account for all resources used for the acquisition and/or construction of major capital facilities by the City, except those financed by the Enterprise Fund.

CDBG

Acronym for Community Development Block Grant.

Certificates of Obligation

Similar to general obligation bonds except the certificates require no voter approval.

CIP

Acronym for Capital Improvement Program, a five-year schedule of capital improvement projects. This is a flexible budget document that is used as a planning tool for needed improvements. Amounts approved in the CIP are considered guidelines and are not officially adopted as budgeted amounts until they are incorporated in the operating budget of one of the City's funds.

Commodities

Commodities are expendable items purchased through the City-approved centralized purchasing process. This classification includes supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature.

Consumer Price Index (CPI)

A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation).

Contingency

A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Contractual Services

Includes expenditures for services performed by firms, individuals, or other City departments. Supplies are not included in the contractual services accounts.

Cost

The amount of money or other consideration exchanged for property or services. Costs may be incurred even before money is paid; that is, as soon as a liability is incurred.

CPI

An acronym for Consumer Price Index.

Current Taxes

Taxes that are levied and due within one year.

DART

Acronym for Dallas Area Rapid Transit, a mass transit authority serving the Dallas metroplex, which is funded through a 1% sales tax levied in participating cities.

DCAD

Acronym for Dallas Central Appraisal District.

Debt Service

The City's obligation to pay the principal and interest of all bonds and other debt instruments according to a pre-determined payment schedule.

Delinquent Taxes

Taxes remaining unpaid on and after the date for which a penalty for non-payment is attached.

Department

The combination of divisions of the City headed by a department head with a specific and unique set of goals and objectives (e.g., Police, Fire, Finance, Public Works, etc.).

Depreciation

The process of estimating and recording the lost usefulness, expired useful life or diminution of service from a fixed asset that cannot or will not be restored by repair and will be replaced. The cost of the fixed asset's lost usefulness is the depreciation or the cost to reserve in order to replace the item at the end of its useful life.

Division

A functional unit within a department consisting of one or more cost centers engaged in activities supporting the unit's mission and objectives.

Elastic Revenues

Revenues that are highly responsive to changes in the economy or inflation, such as sales tax, permits, and fees.

EMS

An acronym for emergency medical services.

Encumbrance

Includes obligations in the form of purchase orders, contracts, or other commitments. They cease to be encumbrances when paid, canceled, or when the actual liability is established.

Ending Balance

The residual non-restricted funds that are spendable or available for appropriation at the end of the fiscal year.

Enterprise Fund

A governmental accounting fund in which the services provided are financed and operated similarly to those of a private business. The rate schedules for these services are established to insure that revenues are adequate to meet all necessary expenditures. Enterprise Funds in Farmers Branch are established for water and sewer service.

Estimated

Represents the original adopted budget plus any approved changes and anticipated year-end savings.

Expenditures

This term refers to the outflow of funds paid or to be paid for an asset obtained or goods and services obtained regardless of when the expense is actually incurred. This term applies to all funds.

Expenses

Charges incurred (whether paid immediately or unpaid) for operation, maintenance, interest, and other charges.

Fees

Charges for specific services.

Financial Policy

A government's directive with respect to revenues, spending, reserves, and debt management as these relate to government services, programs and capital investment. Financial policy provides an agreed upon set of principles for the planning and programming of government budgets and its funding.

Fiscal Year

A twelve-month period designated as the operating year for accounting and budgeting purposes in an organization. The City of Farmers Branch's fiscal year is October 1 through September 30.

Fixed Asset

Asset of a long-term character that is intended to continue to be held or used, such as land, buildings, improvements other than buildings, machinery, and equipment.

Fixed Asset Fund

Account group used to record the purchase of a fixed asset.

Forecast

A prediction of a future outcome based on known and unknown factors.

Franchise

A special privilege granted by a government permitting the continuing use of public property, such as city streets, and usually involving the elements of monopoly and regulation.

Franchise Fee

Charged to the water and sewer utility fund, is a reimbursement to the general fund for the utility's use of City streets and rights-of-way.

Fringe Benefits

Contributions made by a government to meet commitments or obligations for employee-related expenses. Included are the government's share of costs for Social Security and the various pension, medical, and life insurance plans.

Full-Time Equivalent (FTE)

A calculation used to convert part-time hours to equivalent full-time positions. Full-time employee salaries are based on 2,080 hours per year. The full-time equivalent of a part-time employee is calculated by dividing number of hours budgeted by 2,080.

Fund

A fiscal and accounting entity with a self-balancing set of accounts. Records cash and other financial resources together with all related liabilities and residual equities or balances and changes therein. These are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Fund Balance

The balance of net financial resources that are spendable or available for appropriation.

Fund Summary

A combined statement of revenues, expenditures, and changes in fund balance for the prior year's actual, adopted, and estimated budgets, and the current year's adopted budgets.

GAAP

Acronym for Generally Accepted Accounting Practices.

GAAP Adjustments

Differences arising from the use of a basis of accounting for budgetary purposes that differs from the basis of accounting applicable when reporting on operations in conformity with Generally Accepted Accounting Principles (GAAP). For example, depreciation and amortization in Enterprise Funds are not considered expenses on the budget basis of accounting, but are considered expenses on the GAAP basis.

GASB

Acronym for Government Accounting Standards Board, an independent, non-profit agency responsible for the promulgation of accounting and financial reporting procedures for governmental entities.

General Fund

The General Fund accounts for many of the financial resources of the government. General Fund revenues include property taxes, licenses and permits, local taxes, service charges, and other types of revenue. This fund usually includes most of the basic operating services, such as fire and police protection, finance administration, park and recreation, libraries, streets, buildings, and land.

General Long-Term Debt

Represents any unmatured debt not considered to be a fund liability.

General Obligation Bonds

Bonds that finance a variety of public projects such as streets, buildings, and improvements. The repayment of these bonds is usually made from the General Fund and these bonds are backed by the full faith and credit of the issuing government.

Generally Accepted Accounting Principles (GAAP)

The uniform minimum standards and guidelines to financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP encompass the conventions, rules, and procedures necessary to define the accepted accounting practices at a particular time. They include both broad guidelines of general application and detailed practices and procedures. GAAP provides standards by which to measure financial presentations.

GFOA

An acronym for Government Finance Officers Association of the United States and Canada.

Goal

A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless.

Governmental Funds

Those funds through which most governmental functions are typically financed. The acquisition, use, and financial resources and the related current liabilities are accounted for through governmental funds (General, Debt Service, Special Revenue, Capital Projects).

Grant

A contribution by one government unit or funding source to another. The contribution is usually made to aid in the support of a specified function (e.g., education or drug enforcement), but it is sometimes for general purposes.

ICMA

Acronym for International City Management Association.

Indirect Cost Allocation

Funding transferred to the general fund from enterprise funds for specific central administrative functions which benefit those funds (e.g., City Manager, Financial Services Department, Human Resources, Legal, etc.).

Infrastructure

The basic facilities on which a city, state, etc. depends, such as roads and bridges.

Internal Service Fund

A fund used to account for the financing of goods or services provided by one City department or cost center to another department, on a cost-reimbursement basis.

LAP

Acronym for Local Assistance Program, a grant program funded by DART for local transportation capital improvements.

Liabilities

Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed or refunded at some future date.

Line Item Budget

A budget format that summarizes the object codes of expenditures for goods and services that the City intends to purchase during the fiscal year.

Long-Term Debt

Debt with a maturity of more than one year after the date of issuance.

Modified Accrual

Basis of accounting whereby revenues are recorded when susceptible to accrual (i.e. both measurable and available). Available, in this sense, means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, if measurable.

Objective

Something to be accomplished in specific, well defined, and measurable terms and that is achievable within a specific time frame.

Operating Budget

The portion of the budget that pertains to daily operations that provide basic governmental services. The operating budget contains appropriations for such expenditures as personnel, supplies, utilities, materials, travel, and fuel.

Operating Fund

The City classifies General Fund and Enterprise Funds as operating funds.

Operating Revenue

Funds that the government receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

Ordinance

A formal legislative enactment by the governing body of a municipality. If it is not in conflict with any higher form of law, such as a state statute or a constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies.

Outstanding Debt

The balance due at any given time resulting from the borrowing of money or from the purchase of goods and services.

Pay-as-you-go Capital Improvement Projects

Capital projects whose funding source is derived from City revenue sources other than through the sale of voter-approved bonds.

PC Replacement Program

Established to centralize the responsibility for personal computer service and maintenance of computer and printer inventories. Departments are assessed an annual fee based upon their inventory of PCs and printers in use. The charge is accumulated in the PC Replacement Fund and used to replace printers and desktop/laptop computers on a standard replacement schedule.

Performance Measures

Specific quantitative and qualitative measures of work performed as an objective of the department.

Personal Services

Include the salaries and wages paid to employees plus the City's contribution for fringe benefits such as retirement, social security, health, and Workers' Compensation insurance.

PID

An acronym for Public Improvement District. The PID was established on the City's east side to provide a funding mechanism for the construction of a sewer interceptor tunnel.

Property Tax

Property taxes are levied on both real and personal property according to the property's valuation and the tax rate.

Proprietary Funds

Funds that account for government operations that are financed and operated in a manner similar to a private business.

Refunding

A procedure whereby an issuer refinances an outstanding bond issue by issuing new bonds. There are generally two major reasons for refunding: (1) to reduce the issuer's interest costs or (2) to remove a burdensome or restrictive covenant imposed by the terms of the bonds being refinanced. The proceeds of the new bonds are either deposited into escrow to pay the debt service on the outstanding obligations when due, or they are used to immediately retire the outstanding obligations. The new obligations are referred to as the refunding bonds and the outstanding obligations being refinanced are referred to as the refunded bonds or the prior issue.

Reserve

An account which records a portion of the fund balance which must be segregated for some future use and which is, therefore, not available for further appropriation or expenditure.

Resolution

A legislative enactment by the governing board of a municipality, which requires less legal formality and has a lower legal status than that of an ordinance.

Retained Earnings

The difference between proprietary fund assets and liabilities. The term fund balance or fund equity is used in governmental fund types.

Revenue

Funds that the government receives as income. Revenue includes such items as tax payments, fees from specific services, receipts from other governments, fines, forfeitures, grants, and interest income.

Revenue Bonds

Bonds usually sold for constructing a project that will produce revenue for the government. All or part of the revenue is used to pay the principal and interest of the bond.

Self Insurance

The retention by an entity of a risk of loss arising out of the ownership of property or from some other cause instead of transferring that risk through the purchase of an insurance policy.

Sinking Fund

An account into which a debt issuer makes periodic deposits to ensure the timely availability of sufficient monies for the payment of debt service requirements. The revenues to be deposited into the sinking fund and payments therefrom are determined by the terms of the bond contract.

Special Assessment

A compulsory levy made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

Special Revenue Fund

Funds used to account for the accumulation and disbursement of restricted sources.

Supplies

A cost category for minor items (individually priced at less than \$5,000) required by departments to conduct their operations, which are not generally permanent in nature.

Tax Rate

A percentage applied to all taxable property to raise general revenue. It is derived by dividing the total tax levy by the taxable net property valuation.

Taxes

Compulsory charges levied by a government for the purpose of financing services performed for the common benefit.

TIF

Acronym for Tax Increment Financing, which is funded from bonds, developers' contributions and advances, and/or property tax payments to account for infrastructure construction in special districts within the City.

Transfers

Money transferred between funds (operating transfers in to one fund and operating transfers out to another fund).

TXDOT

Acronym for Texas Department of Transportation, a state government agency.

Unreserved Fund Balance

The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

User Fee

The fee charged for services to the party or parties who directly benefits.



**FARMERS
BRANCH**